

1 HB434  
2 175543-1  
3 By Representatives Williams (JD) and Boyd  
4 RFD: Commerce and Small Business  
5 First Read: 17-MAR-16

2  
3  
4  
5  
6  
7  
8 SYNOPSIS: This bill would provide that a qualified  
9 marketplace contractor shall be treated as an  
10 independent contractor and not an employee for all  
11 purposes under state and local laws, rules,  
12 regulations, and ordinances if there is a written  
13 contract executed between the contractor and a  
14 qualified marketplace contractor which contains  
15 clauses related to the terms and conditions of  
16 employment.

17  
18 A BILL  
19 TO BE ENTITLED  
20 AN ACT  
21

22 To add Chapter 15, commencing with Section 25-15-1,  
23 to Title 25 of the Code of Alabama 1975, to provide that a  
24 qualified marketplace contractor shall be treated as an  
25 independent contractor and not an employee for all purposes  
26 under state and local laws, regulations, and ordinances if  
27 there is a written contract executed between the contractor

1 and a qualified marketplace contractor which contains clauses  
2 related to the terms and conditions of employment.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. Chapter 15, commencing with Section  
5 25-15-1, is added to Title 25 of the Code of Alabama 1975, to  
6 read as follows:

7 CHAPTER 15. QUALIFIED MARKETPLACE CONTRACTORS.

8 §25-15-1.

9 For purposes of this act, the following terms and  
10 phrases shall have the following meanings:

11 (1) QUALIFIED MARKETPLACE CONTRACTOR or CONTRACTOR.

12 A person or organization, including, but not limited to, a  
13 natural person, corporation, limited liability company,  
14 partnership, sole proprietor, or other entity, that enters  
15 into an agreement with a qualified marketplace platform to use  
16 the platform's digital platform to provide services to third  
17 party individuals or entities seeking the services.

18 (2) QUALIFIED MARKETPLACE PLATFORM. An organization  
19 including, but not limited to, a corporation, limited  
20 liability company, partnership, sole proprietor, or any other  
21 entity that operates a digital platform that facilitates the  
22 provisions of services by qualified marketplace contractors to  
23 third party individuals or entities seeking services.

24 §25-15-2.

25 (a) A qualified marketplace contractor shall be  
26 treated as an independent contractor and not an employee for  
27 all purposes under state and local laws, regulations, and

1 ordinances, including, but not limited to, Chapters 4 and 5 of  
2 this title, if:

3 (1) The services performed by the contractor are  
4 governed by a written contract executed between the contractor  
5 and a qualified marketplace platform.

6 (2) The written contract provided for in subdivision  
7 (1) provides for the following:

8 a. The contractor shall be engaged as an independent  
9 contractor, not as an employee.

10 b. The contractor shall be permitted to work any  
11 hours or schedules he or she chooses; provided, that, if a  
12 contractor elects to work specified hours or schedules, a  
13 contract, or other written arrangement, may require the worker  
14 to perform work during the selected hours or schedules.

15 c. The contractor shall be free to engage in any  
16 other occupation or business opportunity, including performing  
17 services through other qualified marketplace platforms.

18 d. The contractor shall provide, at the contractor's  
19 own expense, all or substantially all of the necessary  
20 equipment, tools, and other materials to perform the services.

21 e. The qualified marketplace contractor shall be  
22 responsible for tax on the qualified marketplace contractor's  
23 own income.

24 (b) For services performed by a marketplace  
25 contractor prior to the enactment of this chapter, the  
26 qualified marketplace contractor shall be treated as an  
27 independent contractor for all purposes under state and local

1 laws, rules, regulations, and ordinances, including, but not  
2 limited to, Chapters 4 and 5 of this title if the services  
3 performed by the contractor were governed by a written  
4 contract executed between the contractor and a qualified  
5 marketplace platform that conforms to the requirements of  
6 subdivision (2) of subsection (a).

7 Section 2. This act shall become effective on the  
8 first day of the third month following its passage and  
9 approval by the Governor, or its otherwise becoming law.