

House Bill 643

By: Representatives Howard of the 118<sup>th</sup> and Harbin of the 113<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 1 of Chapter 9 of Title 34 of the Official Code of Georgia Annotated,  
2 relating to general provisions governing workers' compensation, so as to provide for  
3 restrictions on exemption of corporate officers for construction companies; to require that  
4 construction companies submit proof of workers' compensation insurance, self-insurance,  
5 or a valid exemption to get a building permit; to provide for related matters; to repeal  
6 conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Article 1 of Chapter 9 of Title 34 of the Official Code of Georgia Annotated, relating to  
10 general provisions governing workers' compensation, is amended by striking Code Section  
11 34-9-2.1, relating to exemption of corporate officers and limitations thereon, and inserting  
12 in lieu thereof a new Code section to read as follows:

13 "34-9-2.1.

14 (a) A corporate officer or a member of a limited liability company who elects to be exempt  
15 from coverage under this chapter shall make such election by giving written certification  
16 to the insurer or, if there is no insurer, to the State Board of Workers' Compensation. The  
17 right of any corporation or limited liability company to exempt its officers or members  
18 from coverage under this chapter is limited as follows:

19 (1) A corporation shall not be allowed to exempt more than five corporate officers and  
20 a limited liability company shall not be allowed to exempt more than five members; and

21 (2) In order for the written certification of exemption to be in effect, the corporate officer  
22 must be identified by name as well as by the office held at the time of certification and  
23 the member of the limited liability company must be identified by name; ~~and~~

24 (3) Any employer subject to this chapter pursuant to subsection (a) of Code Section  
25 34-9-2 before the filing of any exemptions shall remain subject to this chapter without  
26 regard to the number of exemptions filed. However, in the event that there shall be no

1 covered employees once exemptions are elected, no coverage shall be required unless and  
 2 until additional employees are employed; and

3 (4) A written certification of exemption for an officer of a construction company must  
 4 also contain the following information: (A) the federal tax identification number and the  
 5 social security number of the officer; (B) a copy of any business licenses held by the  
 6 officer or the corporation or limited liability company; and (C) a copy of documents  
 7 submitted to the Internal Revenue Service by the officer, corporation, or limited liability  
 8 company regarding the officer's employment status.

9 (b) A corporate officer or a member of the limited liability company who has exempted  
 10 himself or herself by proper certification from coverage under this chapter may at any time  
 11 revoke such exemption and thereby accept coverage under this chapter by giving  
 12 certification to such effect in the same manner as provided in subsection (a) of this Code  
 13 section relative to exemption from coverage.

14 (c) No certification given pursuant to subsection (a) or (b) of this Code section shall  
 15 become effective until it is filed with the proper entity."

## 16 SECTION 2.

17 Said article is further amended by adding at the end thereof a new Code section to read as  
 18 follows:

19 "34-9-25.

20 Every employer shall, as a condition of receiving a building permit, show proof that such  
 21 employer has secured workers' compensation insurance for its employees, is self-insured,  
 22 or is exempt pursuant to Code Section 34-9-2.1. Such proof shall be in a form as required  
 23 by the rules and regulations of the State Board of Workers' Compensation."

## 24 SECTION 3.

25 All laws and parts of laws in conflict with this Act are repealed.