

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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SENATE BILL 659  
Judiciary I Committee Substitute Adopted 6/2/11

Short Title: WC/Taxi Driver/Independent Contractor.

(Public)

Sponsors:

Referred to:

April 20, 2011

1 A BILL TO BE ENTITLED  
2 AN ACT TO EXEMPT TAXICAB DRIVERS WHO ARE INDEPENDENT  
3 CONTRACTORS FROM COVERAGE UNDER THE WORKERS' COMPENSATION  
4 ACT.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. Article 1 of Chapter 97 of the General Statutes is amended by adding  
7 a new section to read:

8 "**§ 97-5.1. Presumption that taxicab drivers are independent contractors.**

9 (a) It shall be a rebuttable presumption under this Chapter that any person who  
10 operates, and who has an ownership or leasehold interest in, a passenger motor vehicle that is  
11 operated as a taxicab is an independent contractor for the purposes of this Chapter and not an  
12 employee as defined in G.S. 97-2. The presumption is not rebutted solely because the operator  
13 is required to comply with rules and regulations imposed on taxicabs by the local government  
14 unit that licenses companies, taxicabs, or operators.

15 (b) The following definitions apply in this section:

16 (1) Lease. – A contract under which the lessor provides a vehicle to a lessee for  
17 consideration.

18 (2) Leasehold. – Includes, but is not limited to, a lease for a shift or a longer  
19 period.

20 (3) Passenger motor vehicle that is operated as a taxicab. – Any vehicle that:

21 a. Has a passenger seating capacity that does not exceed seven persons;  
22 and

23 b. Is transporting persons, property, or both on a route that begins or  
24 ends in this State and either:

25 1. Carries passengers for hire when the destination and route  
26 traveled may be controlled by a passenger and the fare is  
27 calculated on the basis of any combination of an initial fee,  
28 distance traveled, or waiting time; or

29 2. Is in use under a contract between the operator and a third  
30 party to provide specific service to transport designated  
31 passengers or to provide errand services to locations selected  
32 by the third party."

33 SECTION 2. This act is effective when it becomes law and applies to persons  
34 affected on or after that date.

