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## HOUSE BILL NO. 2134

Offered January 13, 2021

Prefiled January 12, 2021

A *BILL to amend and reenact §§ 40.1-28.7:7 and 60.2-212, as it is currently effective and as it shall become effective, of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 65.2-301.2, relating to employee classification: disaster; personal protective equipment.*

Patron—Batten

Referred to Committee on Labor and Commerce

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 40.1-28.7:7 and 60.2-212, as it is currently effective and as it shall become effective, of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 65.2-301.2 as follows:**

**§ 40.1-28.7:7. Misclassification of workers.**

A. An individual who has not been properly classified as an employee may bring a civil action for damages against his employer for failing to properly classify the employee if the employer had knowledge of the individual's misclassification. An individual's representative may bring the action on behalf of the individual. If the court finds that the employer has not properly classified the individual as an employee, the court may award the individual damages in the amount of any wages, salary, employment benefits, including expenses incurred by the employee that would otherwise have been covered by insurance, or other compensation lost to the individual, a reasonable attorney fee, and the costs incurred by the individual in bringing the action.

B. In a proceeding under subsection A, an individual who performs services for a person for remuneration shall be presumed to be an employee of the person that paid such remuneration, and the person that paid such remuneration shall be presumed to be the employer of the individual who was paid for performing the services, unless it is shown that the individual is an independent contractor as determined under the Internal Revenue Service guidelines.

C. As used in this section, "Internal Revenue Service guidelines" means the most recent version of the guidelines published by the Internal Revenue Service for evaluating independent contractor status, including its interpretation of common law doctrine on independent contractors, and any regulations that the Internal Revenue Service may promulgate regarding determining whether an employee is an independent contractor, including 26 C.F.R. § 31.3121(d)-1.

D. *In a proceeding under subsection A, a hiring party providing an individual with personal protective equipment in response to a disaster caused by a communicable disease of public health threat for which a state of emergency has been declared pursuant to § 44-146.17 shall not be considered in any determination regarding whether such individual is an employee or independent contractor. For the purposes of this subsection, the terms "communicable disease of public health threat," "disaster," and "state of emergency" have the same meaning as provided in § 44-146.16.*

**§ 60.2-212. (Expires July 1, 2022, or earlier, see Acts 2020, c. 1261) Employment.**

A. "Employment" means:

1. Any service including service in interstate commerce, performed for remuneration or under any contract of hire, written or oral, express or implied; and

2. Any service, of whatever nature, performed by an individual for any employing unit, for remuneration or under any contract of hire, written or oral, and irrespective of citizenship or residence of either,

a. Within the United States, or

b. On or in connection with an American vessel or American aircraft under a contract of service which is entered into within the United States or during the performance of which and while the individual is employed on the vessel or aircraft it touches at a port in the United States, if such individual performs such services on or in connection with such vessel or aircraft when outside the United States, provided that the operating office, from which the operations of the vessel or aircraft are ordinarily and regularly supervised, managed, directed or controlled, is within the Commonwealth.

B. Notwithstanding subdivision 2 b of subsection A of this section, "employment" means all service performed by an officer or member of the crew of an American vessel on or in connection with such vessel, if the operating office from which the operations of such vessel operating on navigable waters within, or within and without, the United States are ordinarily and regularly supervised, managed, directed and controlled is within the Commonwealth.

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59 C. Services performed by an individual for remuneration shall be deemed to be employment subject  
60 to this title unless the Commission determines that such individual is not an employee for purposes of  
61 the Federal Insurance Contributions Act and the Federal Unemployment Tax Act, based upon an  
62 application of the standard used by the Internal Revenue Service for such determinations.

63 D. Notwithstanding the provisions of subsection C, an individual who performs services as a real  
64 estate salesperson, under direction of a real estate broker under Chapter 21 (§ 54.1-2100 et seq.) of Title  
65 54.1, or as a real estate appraiser under Chapter 20.1 (§ 54.1-2009 et seq.) of Title 54.1 pursuant to an  
66 executed independent contractor agreement and for remuneration solely by way of commission or fee,  
67 shall not be an employee for purposes of this chapter.

68 *E. Notwithstanding the provisions of subsection C, a hiring party providing an individual with*  
69 *personal protective equipment in response to a disaster caused by a communicable disease of public*  
70 *health threat for which a state of emergency has been declared pursuant to § 44-146.17 shall not be*  
71 *considered in any determination regarding whether such individual is an employee or independent*  
72 *contractor. For the purposes of this subsection, the terms "communicable disease of public health*  
73 *threat," "disaster," and "state of emergency" have the same meaning as provided in § 44-146.16.*

74 **§ 60.2-212. (Effective July 1, 2022, or earlier, see Acts 2020, c. 1261) Employment.**

75 A. "Employment" means:

76 1. Any service including service in interstate commerce, performed for remuneration or under any  
77 contract of hire, written or oral, express or implied; and

78 2. Any service, of whatever nature, performed by an individual for any employing unit, for  
79 remuneration or under any contract of hire, written or oral, and irrespective of citizenship or residence  
80 of either,

81 a. Within the United States, or

82 b. On or in connection with an American vessel or American aircraft under a contract of service  
83 which is entered into within the United States or during the performance of which and while the  
84 individual is employed on the vessel or aircraft it touches at a port in the United States, if such  
85 individual performs such services on or in connection with such vessel or aircraft when outside the  
86 United States, provided that the operating office, from which the operations of the vessel or aircraft are  
87 ordinarily and regularly supervised, managed, directed or controlled, is within the Commonwealth.

88 B. Notwithstanding subdivision 2 b of subsection A of this section, "employment" means all service  
89 performed by an officer or member of the crew of an American vessel on or in connection with such  
90 vessel, if the operating office from which the operations of such vessel operating on navigable waters  
91 within, or within and without, the United States are ordinarily and regularly supervised, managed,  
92 directed and controlled is within the Commonwealth.

93 C. Services performed by an individual for remuneration shall be deemed to be employment subject  
94 to this title unless the Commission determines that such individual is not an employee for purposes of  
95 the Federal Insurance Contributions Act and the Federal Unemployment Tax Act, based upon an  
96 application of the 20 factors set forth in Internal Revenue Service Revenue Ruling 87-41, issued  
97 pursuant to 26 C.F.R. 31.3306(i)-1 and 26 C.F.R. 31.3121(d)-1.

98 D. Notwithstanding the provisions of subsection C, an individual who performs services as a real  
99 estate salesperson, under direction of a real estate broker under Chapter 21 (§ 54.1-2100 et seq.) of Title  
100 54.1, or as a real estate appraiser under Chapter 20.1 (§ 54.1-2009 et seq.) of Title 54.1 pursuant to an  
101 executed independent contractor agreement and for remuneration solely by way of commission or fee,  
102 shall not be an employee for purposes of this chapter.

103 *E. Notwithstanding the provisions of subsection C, a hiring party providing an individual with*  
104 *personal protective equipment in response to a disaster caused by a communicable disease of public*  
105 *health threat for which a state of emergency has been declared pursuant to § 44-146.17 shall not be*  
106 *considered in any determination regarding whether such individual is an employee or independent*  
107 *contractor. For the purposes of this subsection, the terms "communicable disease of public health*  
108 *threat," "disaster," and "state of emergency" have the same meaning as provided in § 44-146.16.*

109 **§ 65.2-301.2. Employee classification; disaster; personal protective equipment not considered.**

110 A. For the purposes of this section, the terms "communicable disease of public health threat,"  
111 "disaster," and "state of emergency" have the same meaning as provided in § 44-146.16.

112 B. In any proceeding under the provisions of this title, a hiring party providing an individual with  
113 personal protective equipment in response to a disaster caused by a communicable disease of public  
114 health threat for which a state of emergency has been declared pursuant to § 44-146.17 shall not be  
115 considered in any determination regarding whether such individual is an employee or independent  
116 contractor.