

Department of Planning and Budget

2006 Fiscal Impact Statement

1. **Bill Number** HB1569

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. **Patron** Reid

3. **Committee** Commerce and Labor

4. **Title** Contracting for the provision of foreign employment services.

5. **Summary/Purpose:** Prohibits any corporation, limited liability company, business trust, or partnership from contracting for the provision of foreign employment services unless the services provider delivers to the client company documentation verifying that the services provider has filed all reports and paid all federal and state taxes and maintained workers' compensation insurance required of an employer in the Commonwealth with respect to all of the services provider's employees who are aliens with an H-1B or L-1 temporary worker visa and who work at a facility owned or operated by the client company, or pursuant to an arrangement that provides that the individuals are subject to the direction and control of the client company. The client company is required to maintain records documenting that the employment services provider provided the client company with the required documentation. A violation is a Class 1 misdemeanor. Violations are also subject to a civil penalty of not more than \$10,000.

6. **Fiscal Impact Estimates are:** PRELIMINARY; See item 8.

7. **Budget amendment necessary:** No.

8. **Fiscal implications:** Anyone convicted of a Class 1 misdemeanor is subject to a sentence of up to 12 months in jail. There is not enough information available to reliably estimate how many additional inmates in jail could result from this proposal. Any increase in jail population will increase costs to the state. The Commonwealth pays the localities \$8.00 a day for each misdemeanant or otherwise local responsible prisoner held in a jail. It also funds most of the jails' operating costs, e.g. correctional officers. The state's share of these costs on a per prisoner, per day basis varies from locality to locality. However, according to the Compensation Board's most recent Jail Cost Report (FY 2004), the estimated total state support for local jails averaged \$26.03 per inmate, per day in FY 2004.

9. **Specific agency or political subdivisions affected:** Local and regional jails, Compensation Board, state and local law enforcement agencies.

10. **Technical amendment necessary:** No.

11. **Other comments:** None.

Date: 01/27/06 jgc

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cc: Secretary of Public Safety
Secretary of Administration