

Department of Planning and Budget 2007 Fiscal Impact Statement

1. Bill Number HB2687

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

2. Patron Reid

3. Committee Commerce and Labor

4. Title Unfair employment practices; discharging employees when unauthorized aliens are employed.

5. Summary/Purpose: This bill states that it is an unfair employment practice to knowingly employ an unauthorized alien within the Commonwealth, and that any employee who is replaced with an unauthorized alien shall have a cause of action against his employer on or after July 1, 2007. Employers that are enrolled and participate in the federal Basic Pilot Program, who obtain employment eligibility verification documentation as specified in the Department of Homeland Security Employment Eligibility Verification Form I-9, or are exempt from compliance with federal employment verification procedures under federal law, are not subject to this measure. Someone discharged in violation of this unfair employment practice is entitled to recover treble damages, including lost wages from the date of the discharge until the date the employee has procured new employment, or 120 days, whichever occurs earlier, and reasonable attorney's fees and costs.

6. Fiscal Impact Estimates are: Preliminary. See item 8 (below).

7. Budget amendment necessary: No.

8. Fiscal implications: All penalties for replacing a legally authorized employee with an unauthorized alien, including attorney fees and costs, are to be paid by the employer. The Department of Labor and Industry (DOLI) anticipates that it may require a small amount of funding to notify employers, however it is expected that this cost can be absorbed. Should a comprehensive notification process become necessary, DOLI anticipates that the notification costs will escalate.

This substitute specifies that employers who obtain approval of legal employment status through an I-9 form, which ensures that all new hires are legally authorized to work for the state, are protected. Since the Department of Human Resources Management (DHRM) requires that all state agencies complete I-9 forms for new hires, it is anticipated that any fiscal impact to the state will be minimal.

9. Specific agency or political subdivisions affected: Department of Labor and Industry.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 1/29/07 / aek

Document: G:\2007 Fiscal Impact Statements\HB2687.Doc aek

cc: Secretary of Commerce and Trade