

Department of Planning and Budget 2008 Fiscal Impact Statement

1. **Bill Number:** HB1047

House of Origin X Introduced ___ Substitute ___ Engrossed
Second House ___ In Committee ___ Substitute ___ Enrolled

2. **Patron:** Watts

3. **Committee:** Rules

4. **Title:** **Document verification for employment of illegal immigrants; penalty.**

5. **Summary:** This bill makes it a Class 1 misdemeanor to falsely represent that an alien worker has documentation indicating that he is legally eligible for employment. This bill also establishes a separate civil offense punishable by a \$100 civil penalty for each day of continued unlawful employment of, or false representation with respect to, each alien who cannot provide documents indicating that he is legally eligible for employment in the United States.

6. **Fiscal Impact Estimates:** Preliminary. See Item 8.

7. **Budget Amendment Necessary:** No.

8. **Fiscal Implications:** This bill makes it a Class 1 misdemeanor for employers to falsely represent that an alien worker has documentation indicating that he is legally eligible for employment. The penalties of a Class 1 misdemeanor include confinement in jail for not more than twelve months and a fine of not more than \$2,500. Therefore, this proposal could result in an increase in the number of persons 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 (November 2007), the estimated total state support for local jails averaged \$28.42 per inmate per day in FY 2006.

This bill also establishes a separate civil offense punishable by a civil penalty of \$100 for each day of an employer's continued employment of, or false representation with respect to, each alien who has not provided documents indicating that he is legally eligible for employment in the United States. Due to the monies generated by both the fine from the new Class 1 misdemeanor charge and the \$100 civil penalty, there is a chance that this bill may result in a positive revenue impact to the State Literary Fund, as any penalties collected are directed towards this fund. However, any revenue impact cannot be determined and is dependent on the number of convictions.

The Department of Labor and Industry (DOLI) may be required to do civil enforcement of violations as a result of this bill. However, under federal law, employers are not required to share with DOLI the documents they have used in hiring employees. Should these federal enforcement barriers be removed, DOLI anticipates that it would require at least two inspectors with accompanying legal and administrative support, to enforce any violations. The total cost to DOLI to implement the requirements of this bill, should the federal enforcement barriers be removed, would be three and a half new FTEs, with an annually-recurring cost to the general fund of \$199,425.

9. Specific Agency or Political Subdivisions Affected: Department of Labor and Industry.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/18/2008 dpbaek

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cc: Secretary of Commerce and Trade
Secretary of Finance