

Department of Planning and Budget 2007 Fiscal Impact Statement

1. Bill Number HB2605

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 Watts

3. Committee Commerce and Labor

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

5. Summary/Purpose: 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. Each day of unlawful employment of each alien constitutes a separate civil offense punishable by a \$100 civil penalty.

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

7. Budget amendment necessary: Yes; Item 110.

8. Fiscal implications: This bill mandates that a \$100 civil penalty shall be assessed for each day an employer unlawfully employs an alien worker, and makes it a Class 1 misdemeanor for an employer 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 (FY 2005), the estimated total state support for local jails averaged \$28.35 per inmate, per day in FY 2005.

It is anticipated that this bill could 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. This is uncertain as employers are not required to share the documents they used in hiring with DOLI under federal law. However, should these enforcement barriers be removed, DOLI anticipates that they will need at least two inspectors to enforce any violations. Administrative support and legal support would be needed to

support the activities of the inspectors. The total cost for these new hires would be three and a half new FTEs, and an annually recurring cost to the general fund of \$199,425.

9. Specific agency or political subdivisions affected: Department of Labor and Industry, local court systems, Jails.

10. Technical amendment necessary: No.

11. Other comments: None.

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cc: Secretary of Commerce and Trade