

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 66** SLS 11RS 281

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 19, 2011	5:46 PM	<b>Author:</b> RISER
<b>Dept./Agy.:</b> Statewide		<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Requires contracted entities to utilize E-verify		

**EMPLOYMENT**

RE NO IMPACT GF EX See Note

Page 1 of 1

Provides with respect to mandatory verification, through the federal E-Verify system, to determine a person's residency status in the U.S. when engaged in public contract work. (8/15/11)

Current law prohibits the employment, hiring, recruitment or referral of an alien not entitled to lawfully reside or work in the United States for private or public employment within the state (R.S. 23:992), except in certain agricultural circumstances. Proposed law would require any private employer contracting with a state agency to provide a sworn affidavit attesting to its registration with and participation in the E-Verify system, which provides confirmation that all new employees are legal citizens or legal aliens of the United States, for the duration of the contract. Any costs associated with use of the E-Verify system is to be borne by the private employer. Any violation of these provisions could result in the cancellation of the state contract (with payment for services rendered) and ineligibility in seeking or participating in other state contracts for up to three years. The employer has the right to appeal to the sanctioning agency or state district court and recover costs with a favorable ruling. If E-Verify ceases, these provisions also cease. Employers cannot be held liable for relying on inaccurate E-Verify information. Applicable to contracts entered into or bids offered on or after 1/1/12.

<b>EXPENDITURES</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

The Division of Administration indicates that this legislation could reduce the pool of candidates for state contracts, but dramatic effects are not expected. Unlawful employment of alien workers is already prohibited. Presumably, to comply with this legislation private employers seeking or participating in state contracts would require access to a computer with internet capabilities at each hiring location. Registration and unlimited use of the E-Verify system is free. However, all queries and registration must occur online.

It is not clear whether required payment for services rendered on a contract cancelled by the state will increase costs as new contracts to finish existing projects become necessary. The contract cancellation is at the discretion of the agency, and, presumably, minimizing the cost to the state will be a factor in that decision.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}	
		<input type="checkbox"/> 6.8(F)2 >= \$100,000 Annual SGF Cost {H&S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	<b>Gregory V. Albrecht</b> <b>Chief Economist</b>