

LEGISLATIVE FISCAL OFFICE
Fiscal Note



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

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action: **w/ HSE COMM AMD**

Proposed Amd.:

Sub. Bill For.:

Date: June 8, 2011	10:31 AM	Author: RISER
Dept./Agy.: Statewide		Analyst: Deborah Vivien
Subject: Requires contracted entities to utilize E-verify		

EMPLOYMENT RE1 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, including subcontractors, contracting with a public entity to perform services within the state to provide a sworn affidavit attesting to its registration with and participation in the E-Verify system, which provides confirmation that all employees in the state 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 liability for additional costs incurred due to the cancellation and ineligibility in seeking or participating in other state contracts for up to three years from the date the violation is discovered. The employer has the right of appeal. If E-Verify ceases, these provisions also cease. Employers cannot be held liable for relying on inaccurate E-Verify information. Effective for contracts and bids on or after 1/1/12.

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

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

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 in the state. 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.

To the extent that payments by the violating entity for services rendered on a contract canceled by the state are collected, revenue necessary to cover any increased costs as new contracts to finish existing projects should be available to the public entity. The contract cancellation is at the discretion of the agency, and, presumably, minimizing the cost to the public entities 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>	<i>H. Gordon Monk</i>
<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}	H. Gordon Monk Legislative Fiscal Officer
		<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}	