

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



Fiscal Note On: **HB 661** HLS 16RS 750

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 30, 2016 4:37 PM	<b>Author:</b> HUNTER
<b>Dept./Agy.:</b> Workforce Commission	<b>Analyst:</b> Patrice Thomas
<b>Subject:</b> Increases Criminal & Civil Penalties for Hiring Illegal Aliens	

ALIENS/ILLEGAL

OR INCREASE SD RV See Note

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Provides with respect to the illegal employment of aliens unauthorized to work in the United States

Proposed law increases the criminal penalties for hiring illegal aliens as follows: (1) 1st violation increases the fine from \$500 regardless of the number of aliens to \$25,000 per illegal alien, and suspension of the employer's license for 1 year; (2) 2nd violation increases the fine from \$350 to \$50,000 per illegal alien, and suspension of employer's license for 5 years; (3) 3rd violation increases the fine from between \$500 to \$2,000 to \$75,000 per illegal alien, and permanent revocation of employer's license. Under the proposed law, the business license of an employer who is guilty of employing illegal aliens shall be suspended or revoked by the licensing authority when the prosecutor sends a judgment that indicates the ruling of the court to the licensing authority ordering the suspension or revocation. Proposed law increases the civil penalties for hiring illegal aliens as follows: (1) 1st violation increases the fine from \$500 per illegal alien to \$25,000 per illegal alien, and suspension of the employer's license for 1 year; (2) 2nd violation increases the fine from \$1,000 to \$50,000 per illegal alien, and suspension of employer's license for 5 years; (3) 3rd violation increases the fine from between \$2,500 to \$75,000 per illegal alien, and permanent revocation of employer's license.

<b>EXPENDITURES</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</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>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. All state agencies use the federal E-Verify system to confirm the citizenship and work authorization status of potential employees. In addition, all private employers that enter into contracts and subcontracts with state or local governments are required to E-verify all new employees hired through the duration of the contract.

**REVENUE EXPLANATION**

The proposed legislation increases criminal and civil penalties assessed employers that hire illegal aliens. However, the LWC has not levied civil penalties and is not aware of criminal penalties. It is speculative as to the number of employers that will be assessed criminal or civil penalties or anticipate the amount of revenue collected by LWC from civil penalties or local governments from criminal penalties.

To the extent that penalties are assessed, it is anticipated that all revenue from civil penalties collected from employers pursuant to this measure will be retained by LWC and deposited into Penalty and Interest statutory dedication fund, while local government will retain all revenue collected from criminal penalties.

Senate Dual Referral Rules House

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|---|--|
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}       | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal 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} |

**Gregory V. Albrecht**  
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