

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. House Bill 1170

PRINTER NO. 2129

AMOUNT

\$1,050,000

FUND

General Fund

DATE INTRODUCED

April 9, 2019

PRIME SPONSOR

Representative Mackenzie

DESCRIPTION

House Bill 1170 establishes the Construction Industry Employee Verification Act.

This legislation would prohibit an employer in the construction industry from knowingly employing an unauthorized employee defined as an individual who does not have the legal right or authorization under Federal law to work in the United States. The employer shall verify an employee's eligibility through the E-Verify system and keep a record for the duration of the employment or three years, whichever is longer. Staffing agencies shall be subject to the legislation's requirements of employers for workers supplied to the construction industry.

The bill authorizes the Department of Labor and Industry (department) to receive and investigate complaints. If the department determines an employee is unauthorized, House Bill 1170 provides actions for violations of the act including termination of the employee, a warning letter from the department, quarterly hiring reports to be submitted, suspension of licenses and expedited court action. The legislation also provides safeguards for discrimination or retaliation by employers, and relief to employees who are successful in defending the discrimination or retaliation claims.

This bill shall take effect in one year.

FISCAL IMPACT:

The department believes that House Bill 1170 would cost \$1,050,000 to implement. Due to the requirements for the bill, the department estimates it would need to hire 11 employees, including eight inspectors, an inspector supervisor, a director and an attorney, plus costs of setting up an office. Because the effective date of this bill is one year after its passage, these costs will not be incurred during the 2019-20 fiscal year and should be anticipated in the 2020-21 fiscal year for the department.