

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 1147

PRINTER NO. 1673

AMOUNT

See Fiscal Impact

FUND

Public Works Employment Verification Account

DATE INTRODUCED

March 17, 2022

PRIME SPONSOR

Senator Robinson

DESCRIPTION

Senate Bill 1147 amends the Public Works Employment Verification Act to make changes to the penalties for violations and to provide additional support to the Department of General Services (department) for enforcement.

This bill adds a requirement on the verification form for contactors and subcontractors indicating that they are enrolled in the E-Verify Program (EVP).

The department may require the reimbursement of costs of an audit if a contractor or subcontractor is disbarred from public work or subject to civil penalty under the act.

The legislation increases the penalties for the failure to verify the employment eligibility of a new employee through the EVP as follows:

- First violation remains a warning;
- Second violation increases the length of disbarment from public work from 30 days to 60 days;
- Third and all subsequent violations increase the length of disbarment to one to two years; and
- Willful violations increase the length of disbarment to five years.

Penalties are increased for contractors and subcontractors that do not provide the verification form or make false statements or misrepresentations regarding completing the form.

- Civil penalties are increased to a range of \$2,500 to \$25,000 for each violation based on the duration and severity of the violation.
- Disbarment for a duration of 60 days to five years for willful violations based on the duration and severity of the violation.

Civil penalties collected shall be deposited into the Public Works Employment Verification Account to be used by the department to administer and enforce the act.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

FISCAL IMPACT:

Senate Bill 1147 increases the range for civil penalties from \$250 - \$1,000 to \$2,500 - \$25,000. The legislation also allows for the department to require the reimbursement for the cost of the audit if the entity is disbarred or subject to civil penalty.

Since FY 2015-16, penalties assessed averaged \$250 per violation across an average of 15 findings annually, or \$3,750 of revenue. Assuming the department conducts the same number of audits each year and finds a similar number of violations that are assessed at the new, low end of the penalty range, the department may realize additional revenue of approximately \$33,750. If the department chooses to require the reimbursement of audits that result in the disbarment or civil penalty, additional funds may be realized to offset the costs of performing the audits.