

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1830 - SB 1965

February 1, 2016

SUMMARY OF BILL: Requires employers with six or more employees to enroll in E-Verify prior to hiring an employee. Authorizes an exemption for an employer with between six and twenty-four employees by submitting an affidavit to the Commissioner of Labor and Workforce Development indicating that it would be an undue hardship to use E-Verify.

Decreases from 60 to 30 the number of days an employer has to remedy a non-compliance finding after receipt of an initial order for violation of E-Verify requirements. Requires an initial administrative order to be deemed a final order if a warning is not issued. Creates an additional \$500 civil penalty if an employer with six or more employees fails to use E-Verify or provide an affidavit of undue hardship.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Exceeds \$10,000

Assumptions:

- Under current law, a violation will result in a \$500 penalty for a first offense.
- Shortening the timeframe that an employer has to remedy a non-compliant finding will result in additional civil penalties.
- In addition to those penalties, there will be an unknown number of new penalties assessed pursuant to the additional non-compliant possibility.
- Based on information from the Department of Labor and Workforce Development (DLWD), there are an average of 24 citations for E-Verify violations annually.
- The total number of additional penalties due to the shortened timeframe and the new penalties is reasonably estimated to exceed 20 annually.
- According to DLWD, all revenues generated from the provisions of the bill shall be allocated to the General Fund.
- The recurring increase in state revenue to the General Fund is estimated to exceed \$10,000 (\$500 civil penalty x minimum 20 violations).

IMPACT TO COMMERCE:

Increase Business Expenditures – Exceeds \$10,000

Assumptions:

- The provisions of the bill will result in a recurring increase in business expenditures estimated to exceed \$10,000 for the payment of civil penalties.
- The provisions of the bill are not estimated to have an impact on the overall number of jobs in the state.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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