

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 11-1050
Prime Sponsor(s): Rep. Baumgardner
 Sen. Renfroe

Date: May 2, 2011
Bill Status: House Agriculture
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TITLE: CONCERNING ENACTMENT OF THE "UNAUTHORIZED EMPLOYMENT AND HUMAN SMUGGLING PREVENTION ACT".

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue Cash Funds Employment Verification Cash Fund Immigration Enforcement Mission Cash Fund	See State Revenue section.	
State Expenditures General Fund Cash Funds Immigration Enforcement Mission Cash Fund	\$2,871,596	\$1,993,749
	8,647	8,647
FTE Position Change	24.0 FTE	26.2 FTE
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2011-2012: See State Appropriations section.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

The bill requires an employer to respond within 20 days to a request from the Colorado Department of Labor and Employment (CDLE) for employment verification documentation. It allows for one extension of up to ten business days after which the employer can be fined up to \$5,000 for a first offense and up to \$25,000 for subsequent offenses. An employer that makes a good faith effort to comply is immune from a fine.

The bill creates several new misdemeanors related to the transportation of persons unlawfully present. This includes stopping and blocking traffic to hire and pick up passengers for work at a different location, and harboring or shielding a person who is unlawfully present. Persons committing these offenses are subject to a fine of \$500 per person up to \$25,000. Such fines are to be deposited into the Immigration Enforcement Mission Cash Fund and used by the Department of Local Affairs (DOLA) to reimburse law enforcement authorities for the costs associated with housing and transporting persons who are unlawfully present.

State and local officials are directed to enforce federal immigration laws to the full extent permitted by federal law. This includes allowing a law enforcement agency or officer to transport into federal custody a person that the agency has verified is unlawfully present.

State Revenue

Revenue from fines are expected to increase under this bill, but the amount cannot be determined at this time.

Fines of up to \$25,000 may be levied by the CDLE on employers who do not comply with requests for employment verification documentation. These fines will be deposited into the Employment Verification Cash Fund. These are not new fines but rather apply to stricter requirements so may be more frequently levied. Under current law, minimal fine revenue has been realized. Fines may also be levied for violations of a new misdemeanor violations. These fines will be deposited into the Immigration Enforcement Mission Cash Fund.

State Expenditures

The bill is expected to result in an increase in expenditures of \$2,880,243 and 24.0 FTE in FY 2011-12, including \$2,871,596 General Fund and \$8,647 cash funds. Costs are estimated at \$2,002,396 and 26.2 FTE in FY 2012-13 including \$1,993,749 General Funds and \$8,647 cash funds. These expenditures are explained below.

Department of Public Safety. The Colorado State Patrol (CSP) in the Department of Public Safety is required to determine the eligibility status of all people with whom the agency has made lawful contact. Under an agreement with the U.S. Customs and Immigration Enforcement, only specially trained 287g certified troopers are allowed to perform specific immigration functions. To implement this bill, the CSP would need to add 25 troopers and one administrative staff person in order to address the increase in workload. These expenditures are shown in Table 1 and are funded by General Fund moneys.

Table 1. CSP Expenditures Under HB 11-1309		
Cost Components	FY 2011-12	FY 2012-13
Personal Services	\$1,433,277	\$1,563,574
FTE	23.8	26.0
Training	54,650	
Vehicles	951,973	362,575
Equipment	416,200	55,400
Operating Expenses and Capital Outlay	15,496	12,200
TOTAL	\$2,871,596	\$1,993,749

Department of Local Affairs. The DOLA is required to reimburse local governments for the costs of housing and transporting persons unlawfully present to federal authorities. The DOLA will require an additional 0.2 FTE to process and distribute payments to local governments. This will be funded by the Immigration Enforcement Mission Cash Fund and costs are shown in Table 2. The costs for reimbursements to local governments are not estimated at this time.

Table 2. DOLA Expenditures Under HB 11-1309		
Cost Components	FY 2011-12	FY 2012-13
Personal Services	\$8,647	\$8,647
FTE	0.2	0.2
TOTAL	\$8,647	\$8,647

Judicial Branch. The bill adds new misdemeanors which will result in additional court filings. The amount of new filings is not known but would need to exceed 2,500 cases per year in order to require additional staffing for the branch. If necessary, this will be addressed during the annual budget process.

Attorney General. To ensure that local governments are enforcing the minimum requirements of federal immigration laws, the Attorney General would need additional staffing to monitor compliance. The amount of monitoring required is not known at this time so no expenditures are estimated. The fiscal note will be updated as more information becomes available.

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 3.

Table 3. Expenditures Not Included Under HB 11-1309*		
Cost Components	FY 2011-12	FY 2012-13
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$170,503	\$185,887
Supplemental Employee Retirement Payments	61,141	78,544
TOTAL	\$231,644	\$264,431

*More information is available at: <http://colorado.gov/fiscalnotes>

Local Government Impact

Local governments will have increased costs for housing and transporting persons unlawfully present and for prosecuting additional criminal acts. Reimbursements from the Immigration Enforcement Mission Cash Fund will be available, but to the extent that these funds do not cover a local government's costs, the local governments will fund the activities from their budgets.

State Appropriations

For FY 2011-12, the Department of Public Safety requires an appropriation of \$2,871,596 and 23.8 FTE from the General Fund. The Department of Local Affairs requires an appropriation of \$8,738 and 0.2 FTE from the Immigration Enforcement Mission Cash Fund.

Departments Contacted

Corrections
Labor and Employment
Public Safety

Human Services
Local Affairs
Regulatory Agencies

Judicial Branch
Health Care Policy and Financing