

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5399-01
Bill No.: HB 1984
Subject: Employees - Employers; Revenue Dept.; Taxation and Revenue - General
Type: Original
Date: April 27, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Attorney General** (AGO) stated that the costs associated with this proposal would be based on the number of injunctive actions that it may be required to be filed. AGO preliminarily assumes that this proposal would create minimal costs that can be absorbed with existing resources.

Officials from the **Department of Elementary and Secondary Education** (DESE) assume the amount of repayments cannot be estimated; therefore, the amount to be used by DESE for driver education programs cannot be estimated. The extent of repayments received will likely determine how the monies are spent. Significant repayments could be directed to school districts to supplement or provide driver education programs. DESE would incur minimal costs to create an application and process for distributing the funds. Should repayments prove insignificant, distribution to school districts would not likely be deemed an efficient use of resources; therefore, the department would likely utilize the funds internally to update, maintain, print, mail, etc. the driver education booklet.

Oversight assumes the number of repayments and the amounts repaid would be minimal, and has not included any repayments or program expenditures in this fiscal note.

ASSUMPTION (continued)

Officials from the **Office of the Secretary of State**, the **Office of Administration, Division of Budget and Planning**, the **Department of Economic Development**, and the **Department of Labor and Industrial Relations** assume this proposal would have no fiscal impact on their organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could have a direct fiscal impact to small businesses who have state-administered tax credits, tax abatements, or loans and hire illegal aliens.

DESCRIPTION

This proposal would increase the penalties for employers of illegal aliens. Any employer of illegal aliens would be ineligible for any state-administered or subsidized tax credit, tax abatement or loan from this state. An employer convicted of employing illegal aliens would be required to repay twice the amount of the state-administered or subsidized tax credit, tax abatement, or loan from this state to the agency administering that tax credit, tax abatement, or loan. One-half of any amount repaid would repay the agency, and one-half of any amount repaid would be used solely by the Department of Elementary and Secondary Education for driver education programs. If the employer has not repaid the required amount within sixty days, the agency may request the Attorney General to seek an injunction of the business operations of such employer until the amount is repaid.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Attorney General
Office of the Secretary of State
Office of Administration
 Division of Budget and Planning
Department of Economic Development
Department of Elementary and Secondary Education
Department of Labor and Industrial Relations

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
April 27, 2006