

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4125-01
Bill No.: HB 1757
Subject: Elementary and Secondary Education Department; Employees - Employers;
Immigration; Revenue Department; Tax Credits
Type: Original
Date: January 29, 2008

Bill Summary: This proposal requires any person convicted of hiring illegal aliens to repay double the value of any tax credit, tax abatement or loan.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development** assume no fiscal or administrative impact from the proposed legislation.

Officials from the **Department of Elementary and Secondary Education (DESE)** state 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 will 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.

Officials from the **Department of Revenue, Department of Natural Resources, Department of Agriculture, Department of Insurance, Financial Institutions and Professional Registration** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Office of Administration - Budget and Planning** state there may be a slight increase in revenues from the repayments from this proposal.

Officials from the **Office of the Attorney General** assume any costs associated with taking legal actions to enforce this proposal can be absorbed with existing resources.

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.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2009
(10 Mo.)

FY 2010

FY 2011

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

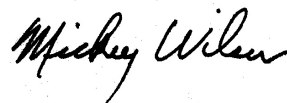
FISCAL DESCRIPTION

This bill requires any employer convicted of knowingly accepting any state-administered or subsidized tax credit, tax abatement, or loan while employing illegal aliens to repay twice the amount of the tax credit, tax abatement, or loan within 60 days of the conviction. One-half of the amount repaid will be used for state-administered or subsidized tax credits, tax abatements, or loans, and the other half will be used by the Department of Elementary and Secondary Education for driver education programs. If a convicted employer does not repay the amount due within the required 60 days, the Attorney General may seek an injunction of the employer's business operations 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

Department of Economic Development
Department of Elementary and Secondary Education
Office of the Attorney General
Department of Insurance, Financial Institutions and Professional Registration
Department of Agriculture
Department of Natural Resources
Department of Revenue
Office of Administration - Budget and Planning



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