

HCS HBs 2366 & 2511 -- EMPLOYMENT

SPONSOR: Verneti

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Commerce by a vote of 9 to 0. Voted "Do Pass" by the Standing Committee on Rules-Legislative by a vote of 10 to 0.

The following is a summary of the House Committee Substitute for HBs 2366 & 2511.

Current law provides that a general contractor or subcontractor of any tier will not be liable when the general contractor or subcontractor contracts with its direct subcontractor who employs an unauthorized alien in violation of law. This bill provides that the general contractor or subcontractor will be liable in such circumstance if the general contractor or subcontractor has knowledge, as defined under 8 37 CFR 274a.1, of such violation. Upon notification from the attorney general (AG) of the alleged or suspected violation of the Sections outlined in this bill, the general contractor or subcontractor must fully cooperate with any investigation conducted by the AG related to the alleged violation.

The bill modifies the provisions allowing the AG to enforce the law governing the employment of unauthorized aliens. The AG is given authority to investigate alleged or suspected violations of the law pertaining to the proper classification of employees for purposes of public works projects. Furthermore, the AG is given powers provided by the Merchandising Practices Act for the purpose of investigating any alleged or suspected violation of the law governing the employment of unauthorized aliens.

In any action brought by the AG to enforce the provisions of law governing the employment of unauthorized aliens, the State will have the burden of proving by a preponderance of the evidence that the employer knowingly employed, hired for employment, or continued to employ an unauthorized alien to perform work within this State. An employer that participates in a Federal work authorization program will have an affirmative defense that such employer has not violated the Sections outlined in the bill.

The AG can seek an injunction prohibiting the employer from employing an unauthorized alien and seek monetary damages in the amount equal to ten times the amount of wages paid by the employer to any unauthorized alien workers during the time in which such unlawful employment is alleged to have occurred. The

AG can also seek an injunction to suspend and the court will have the power to suspend any applicable license, permit, or exemption issued under State law in connection with this matter. The AG can bring an action for injunctive and monetary relief in the circuit court of any county where the alleged violation is occurring or about to occur, or in the Cole County Circuit Court.

If a court determines that an employer has knowingly hired an unauthorized alien, the court must enter a judgment in favor of the State and award penalties in an amount consistent with the prayer for relief in the petition. The AG can enter a consent judgment with any person alleged to have committed a violation prohibited by this bill.

The bill provides that any employer that reports an alleged violation of the sections outlined in this bill to the AG will not be subject to any liability.

This bill is similar to SB 1288 and SB 1288 (2026).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

**PROPOSERS:** Supporters say that this bill fixes the roadblocks and issues with current statute. The bill will affect cash-pay employees that are not verified by the general contractor or subcontractor to have legal working status. This bill provides the AG more power to enforce these statutes.

Testifying in person for the bill were Representative Verneti; Arnie Dienoff; Mid-America Carpenters Regional Council; and Missouri AFL-CIO.

**OPPOSERS:** Those who oppose the bill say that they understand the intent of the bill but placing liability on the general contractor for what the subcontractors do is not right. Some say that this bill may impact businesses and employees that are following the law and doing everything the right way.

Testifying in person against the bill were American Civil Liberties Union - Missouri; The Builders' Association - KC Chapter, AGC; Missouri Chamber of Commerce and Industry; St. Louis Homebuilders Association; and Edward J. Twehous, Associated General Contractors of Missouri & Twehous Excavating Company Inc.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.