

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2009-10</b>		<b>FY 2010-11</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	204,837		382,158	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>204,837</b>		<b>382,158</b>	

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 34 is the Nebraska Fair and Legal Employment Act.

Section 2 provides definitions for the Act.

Section 3 prohibits an employer from knowingly employing an undocumented worker.

Section 4 requires every employer, after hiring an employee, to verify the employment eligibility of the employee through the employment verification system. This is required after December 31, 2010.

Section 5 requires the Attorney General to prescribe a complaint form for alleged violations of section 3. Upon receiving such a complaint, the Attorney General or the county attorney shall investigate whether or not the employer has violated section 3.

Section 6 requires notification of US Immigration and Customs Enforcement when investigations are determined not to be false and frivolous. The appropriate county attorney shall also be notified to bring an action.

The bill's provisions go on to specify types of violations and respective remedies.

Section 12 restricts the state or any political subdivision of the state to award a contract to any contractor or subcontractor that provides services in the state unless the employment eligibility of the employees is verified by the contractor or subcontractor.

The Nebraska State College System estimates the need to hire one additional employee at each of the three state colleges. These employees would be responsible for gathering and filing the required documentation for each contractor and subcontractor's employees that will be provided for each contract. There is no basis to disagree with this estimate. The State College System also notes that the bill's provisions may result in higher costs for contracts due to greater reporting requirements for contractors. This potential cost is not identified.

The University of Nebraska estimates similar impact and the need for additional staffing for an annualized cost of \$154,296.

The Attorney General estimates the need for one Assistant Attorney General, one investigator, and one support staff to carry out the new duties found in LB 34. The bill's provisions place the burden of bringing an action with the appropriate county attorney. The Attorney General is charged with investigation of complaints and giving proper notification based upon the investigation's outcome. For this reason, the Attorney General's estimated costs are reduced by one-third in the table above. There is no basis to disagree with the estimated need for the investigator and support staff. In addition, the fiscal year 2009-10 estimate is for a full year's funding. Since the bill's provisions are not in effect until January 1, 2010, half way through the first year of estimated costs, the first year's costs have been reduced by 50% as well.

continued

The Department of Administrative Services did not provide a fiscal impact statement at the time this fiscal note was written. If the bill progresses out of committee and off General File, this fiscal note will be updated to incorporate any responses that are received.

It is anticipated that there will be increased costs and work for county attorneys and sheriffs' offices. These costs are not identified in this fiscal note. The amount of increased costs will vary widely and be dependent on the number of complaints that are filed and investigated.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	DATE	2/11/09	PHONE	471-2526
COMMENTS					
ATTORNEY GENERAL – No basis to disagree with estimate of impact.					
STATE COLLEGE SYSTEM - No basis to disagree with estimate of impact.					
UNIVERSITY OF NE - No basis to disagree with estimate of impact.					