



SF 108 – Employment of Unauthorized Aliens, E-Verify (LSB1369XS.1)
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Fiscal Note Version – Revised for new data

Description

Senate File 108 prohibits licensed employers from knowingly employing unauthorized aliens and authorizes a county attorney, local law enforcement official, or member of the public to file a complaint of a violation with Iowa Workforce Development (IWD). If IWD determines that an employer has committed a violation, IWD is required to bring an action in district court against the employer for the violation in the county where the unauthorized alien employee is or was employed. The Bill requires licensed employers hiring or rehiring an employee to verify the employee's employment eligibility through the federal E-Verify Program and certify to IWD that the employer has done so. The Bill further requires IWD to adopt administrative rules to carry out the IWD's duties under the Bill.

The Bill also requires the Secretary of State to maintain an online database of employers registered with the federal E-Verify Program, first-time employer offenders, and related court documents.

Background

The federal **Immigration Reform and Control Act of 1986** (IRCA) (8 U.S.C. §1324a) made it illegal for employers to knowingly hire immigrants who are unauthorized to work in the United States. The IRCA established an employment verification process (the Form I-9 process) that required employers to review documents presented by new employees to establish their identity and employment eligibility. The IRCA provides for penalties or sanctions against employers that knowingly violate the law. Employers are required to certify that they have reviewed the employees' documents and that the documents reasonably appear genuine and relate to the individual presenting them. The **Illegal Immigration Reform and Immigration Responsibility Act of 1996** created E-Verify as a pilot program. The program has since been expanded. Employers participating in E-Verify are required to retain Forms I-9 for all newly hired employees in accordance with the IRCA. The federal government mandates that all **federal contractors** utilize E-Verify.

Assumptions

- The Secretary of State will develop and maintain a searchable database. The database will be developed internally and any costs are assumed to be paid by the Technology Modernization Fund.
- IWD may create a new division and may hire new full-time equivalent (FTE) positions to implement the Bill. This includes Investigator 2 FTE positions at a cost of \$70,000 each and Attorney 2 FTE positions at a cost of \$90,000 each.
- The average trial will be two days long and will include a jury trial.
- One Investigator 2 FTE position at IWD could investigate approximately seven cases per month or 84 cases per year.

Fiscal Impact

The fiscal impact for SF 108 is estimated as follows:

The one-time cost to the Secretary of State’s Office to develop a searchable database is approximately \$70,000 in FY 2025.

The Judicial Branch will incur expenses estimated at \$3,600 per trial to administer cases filed against an employer by IWD.

IWD will incur expenses that average an estimated \$1,400 per case that is brought to trial. According to IWD assumptions, the Department may need to hire at least five Investigator 2 FTE positions and one Attorney 2 FTE position to implement the requirements of the Bill. However, the number of cases investigated and prosecuted annually cannot be fully estimated at this time and may require additional FTE positions.

Sources

Iowa Workforce Development
Secretary of State
Judicial Branch
Department of Management
Legislative Services Agency calculations

/s/ Jennifer Acton

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
