



SF 108 – Employment of Unauthorized Aliens, E-Verify (LSB1369XS)
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Fiscal Note Version – New

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 the Iowa Department of Workforce Development (IWD). If the IWD determines that an employer has committed a violation, the 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 the IWD that the employer has done so. The Bill further requires the 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 Immigrant 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. Currently, 22 states require E-Verify for some or all employers, while the federal government mandates that all [federal contractors](#) utilize E-Verify.

Assumptions

- The Bill would require the IWD to add 9.0 new full-time equivalent (FTE) positions as well as to incur additional expenses for vehicles, phones, computers, employee support, preparation of rules, development of training materials, training of staff, investigative time, postage, filing fees, service of process fees, witness subpoenas, travel time and expenses, court preparation and appearances, monitoring employers, and following up on court orders. Below is a list of the FTE positions:
 - Public Service Manager 1 1.0 FTE position
 - Secretary 1 1.0 FTE position
 - Attorney 2 1.0 FTE position

- Investigator 2 4.0 FTE positions
- Field Auditor 2.0 FTE positions
- Salary costs include benefits and are estimated at the entry level of the salary range for each position.
- IWD will investigate 500 complaints and file 50 court actions per year, administered through the Iowa Judicial Branch.
- The average trial will be one day long and will include a jury trial.
- The Secretary of State will develop and maintain a permanent searchable database. The database will be developed internally.

Fiscal Impact

The Bill will result in increased costs to the IWD of an estimated \$656,000 and 9.0 new FTE positions in FY 2024 and \$687,000 in FY 2025, to be paid from the IWD General Fund appropriation. IWD estimates an initial start-up cost of \$170,000 to set up offices and purchase vehicles for new staff. IWD also estimates operating costs of \$100,000 per year for travel, postage, phones, and other related supplies.

The Secretary of State will expend an estimated \$70,000 from its Secretary of State Technology Modernization Fund appropriation in FY 2024 for the initial development of the required Internet site infrastructure.

The Judicial Branch will incur expenses estimated at \$92,000 per year to administer complaints that may be filed against an employer by a county attorney, law enforcement officer, or member of the public, with a subsequent determination by the IWD that a violation has occurred.

A summary of the fiscal impact is shown in **Table 1**.

Table 1 — Estimated Costs, Senate File 108

Agency	Category	FTE	Est. Cost	
			FY 2024	FY 2025
Secretary of State	Database Development		\$ 70,000	0
Judicial Branch	Trial Costs		92,000	92,000
Iowa Workforce Development (IWD)	Salary and Benefits	9.0	656,000	687,000
	Offices and Vehicles		170,000	0
	Travel and Supplies		100,000	100,000
Total		9.0	\$ 1,088,000	\$ 879,000

Sources

Department of Workforce Development
 Secretary of State
 Judicial Branch
 Legislative Services Agency

 /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.
