

BALLOT PROPOSITION #202
Stop Illegal Hiring Act

FISCAL ANALYSIS

Description

Proposition 202 establishes various penalties regarding unauthorized alien hiring and provides procedures for enforcement of these sanctions. The proposition includes the following:

- 1) Requires that employers use the E-verify system or provide verification through other documentation procedures as authorized by federal law to verify employee eligibility to work in the United States starting on January 1, 2009.
- 2) Requires a 3 or 5 year probationary period for a first violation by employers that are determined by the Attorney General or county attorney to have knowingly intentionally hired an individual who is not eligible to work in the United States and, for a second violation during the probationary period, revokes the employer's business license for that location where the unauthorized alien was employed.
- 3) Requires a written and signed complaint when filing a formal complaint concerning an employer for hiring unauthorized aliens and specifies enforcement procedures to be used by the Attorney General's office about taking action against such employers.
- 4) Expands the crime of identity theft and trafficking in identify theft to include those who are trafficking in or using a false identification in order to obtain or maintain employment.
- 5) Establishes fines for employers who employ 4 or more employees and who fail to make income tax withholdings, report hiring, make contributions to unemployment compensation and worker's compensation for cash-paid employees. Violating employers must pay a civil penalty of 3 times that amount that the employee failed to remit or \$5,000 per employee related to the violation, whichever is greater. Collected monies would be equally distributed by the Attorney General to the Arizona Department of Education and the Department of Health Services for distribution to school districts and emergency room providers to offset costs of the effects of illegal immigration.

Estimated Impact

The State may receive revenues in the form of fines from violators of the provisions of Proposition 202. The Attorney General and county attorney offices will have responsibility to enforce these provisions. The fines generated by non-compliant cash-paying employers will be equally distributed to the Department of Education and the Department of Health Services for distribution to school districts and emergency room providers to offset costs of the effects of illegal immigration. The total amount of fines will depend on the level of employer compliance, which is difficult to predict in advance.

Local Government Impact

None

7/18/08

This estimate was prepared by Kimberly Cordes-Sween (602-926-5491).
