

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0718-01
Bill No.: HB 350
Subject: Immigration, Crimes and Punishment
Type: Original
Date: February 12, 2009

Bill Summary: This proposal modifies provisions relating to unauthorized aliens.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 173.1150 Financial Aid

Officials at the **Department of Higher Education** assume that financial aid staff at colleges and universities would be responsible for collecting the documents required to provide information about students' citizenship status. Based on that assumption the Department estimates that it could perform the additional duties associated with this bill with no additional FTE and no significant additional funding.

Officials at the **University of Missouri** assume a cost of \$17,000 annually for the manual follow-up and verification as well as data and report generation.

Oversight assumes there would be no direct effect on state revenue. Oversight recognizes that the universities may have increased costs but it is not general revenue or state money.

Section 208.009 Lawful Status Verification

Officials at the **Office of the Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources, but the AGO may need to request additional staff to handle the increase in workload if multiple cases arise from the adoption of this proposal.

Officials at the **Office of Prosecution Services** assume no impact on their office. The potential impact on prosecuting attorneys will necessarily depend on the extent to which law enforcement agencies choose to enforce this provisions and/or are able to enforce this provision. If law enforcement agencies make arrests under this provision, there may be an impact based on the additional cases that may be filed.

Officials at the **Department of Elementary and Secondary Education** and the **Missouri Department of Conservation** assume that providing the annual report will likely result in additional staff and printing costs; however, they do not anticipate significant costs.

Oversight assumes that the state agencies can absorb any costs associated with producing the required reports.

Officials at the **Department of Elementary and Secondary Education** assume there is no state cost to the foundation formula associated with this proposal. Should the new crimes and amendments to current law result in additional fines or penalties, DESE cannot know how much additional money might be collected by local governments or the DOR to distribute to schools.

ASSUMPTION (continued)

To the extent fine revenues exceed 2004-2005 collections, any increase in this money distributed to schools increases the deduction in the foundation formula the following year. Therefore the affected districts will see an equal decrease in the amount of funding received through the formula the following year; unless the affected districts are hold-harmless, in which case the districts will not see a decrease in the amount of funding received through the formula (any increase in fine money distributed to the hold-harmless districts will simply be additional money). An increase in the deduction (all other factors remaining constant) reduces the cost to the state of funding the formula.

Section 650.480 Identification Cards

Officials at the **Department of Revenue** assume this will require programming changes to the Missouri Electronic Driver License (MEDL also referred to as Over The Counter-OTC) software and supporting applications. These programming changes will need to be designed and tested.

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FY10

40	Estimated hours for project completion (requirements and system testing)
<u>X \$100</u>	Hourly rate for an OTC contractor
\$4,000	

Oversight assumes that any changes that need to be made by the Department of Revenue can be absorbed with existing resources.

The bill as a whole

Officials at the **Sikeston R-6 School District, City of Centralia, Metropolitan Community College, Missouri Veterans Commission, Capitol Police, Francis Howell School District, St. Louis County, Alcohol and Tobacco Control, City of Kansas City, Cass County, Office of the State Auditor, Fire Safety, Office of the State Public Defender, Office of the State Courts Administrator, Administrative Hearing Commission, State Emergency Management Agency, Special School District, Missouri Southern State University, State Tax Commission, Missouri Western State University, Department of Agriculture, Linn State Technical College, Truman State University, Moberly Area Community College, Office of Administration, Department of Mental Health, Missouri Highway Patrol, Lincoln University, Missouri Gaming Commission, Missouri Senate, University of Central Missouri, Budget and Planning, Public Service Commission, Department of Natural Resources, Department of Insurance, Financial Institutions and Professional Registration, Department of Labor and Industrial Relations, Department of Economic Development,**

ASSUMPTION (continued)

Department of Health and Senior Services, Missouri Department of Transportation and the Office of the State Treasurer assume that there is no fiscal impact from this proposal.

Officials from the **Department of Corrections (DOC)** stated that they could not predict the number of new commitments which could result from the creation of the offense(s) outlined in the proposal. An increase in commitments would depend on the utilization of prosecutors and the actual sentences imposed by the courts. If additional persons were sentenced to the custody of the DOC due to the provisions of this legislation, the DOC would incur a corresponding increase in operational costs either through incarceration (FY 2008 average \$15.64 per inmate, per day or an annual cost of \$5,709) or through supervision provided by the Board of Probation and Parole (FY 2008 average \$2.47 per offender, per day or an annual cost of \$902).

The following factors contribute to DOC's minimal assumption:

- DOC assumes the narrow scope of the crime will not encompass a large number of offenders.
- The low felony status of the crime enhances the possibility of plea-bargaining or imposition of a probation sentence.
- The probability exists that offenders would be charged with a similar but more serious offense or that sentences may run concurrent to one another.

In summary, supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of

ASSUMPTION (continued)

regulations at substantial costs, the SOS could request funding through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill changes the laws regarding unauthorized aliens.

Section 173.1150 Higher Education Assistance for Illegal Aliens - Persons not lawfully present in the United States will not be eligible, on the basis of residence within this state, for post-secondary education benefits, scholarships, financial aid, or resident tuition, except under certain circumstances specified in the bill. This prohibition will not be deemed to impose additional conditions to maintain resident tuition status at a post-secondary educational institution on an individual who was enrolled in a degree program and first received the resident tuition status during the 2008-2009 school year or any prior year.

Section 208.009 Lawful Status Verification - Applicants for Public Benefits - Currently, aliens unlawfully present in the United States can only receive state or local public benefits offered under 8 U.S.C. 1621(b). The bill specifies those state benefits. Currently, applicants for public benefits 18 years of age or older must provide affirmative proof of citizenship, permanent residency, or lawful presence in the United States. The bill lowers that threshold age to 14 years.

A person who knowingly and willfully signs an affidavit containing false or fraudulent

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FISCAL DESCRIPTION (continued)

information will be subject to criminal penalties. Each state agency or department that administers a program of state or local public benefits must provide an annual report to the Governor, Speaker of the House of Representatives, and President Pro Tem of the Senate on its compliance with the eligibility verification requirements.

Section 285.530 Lawful Status Verification - Independent Contractors - If any individual independent contractor contracting for the physical performance of services in this state fails to provide the contracting entity with documentary proof of federal employment authorization, the contracting entity must withhold state income tax at the top marginal rate for the amount of compensation paid to the independent contractor as reportable on the United States Internal Revenue Service Form 1099. A contracting entity who fails to withhold the taxes will be liable for those taxes unless certain federal withholding exemptions apply and are documented to the Department of Revenue.

Lawful Status Verification Public Employers - The discharge of a United States citizen or permanent resident alien working in Missouri by an employing entity that retains an employee it knows or reasonably should have known to be an unauthorized alien working in certain federally defined job categories is an actionable discriminatory labor practice as established by the Department of Labor and Industrial Relations, unless on the date of the discharge, the employing entity participated in a federal work authorization program to verify the employment eligibility.

Section 577.675 Concealing Illegal Aliens - The bill makes it a crime for a person to conceal, harbor, or shelter from detection any alien knowing or in reckless disregard of the fact that the alien has entered or remained in the country illegally. A violation of this crime is a felony punishable by not less than one year's imprisonment, a fine of not less than \$1,000, or both.

Section 650.480 Identification Cards - The bill authorizes business entities; federal, state, and local government agencies; educational institutions; professional organizations; and labor unions to create documents, cards, or certificates for identification of their employees, customers, members, and students.

Identification for state and political subdivision agencies and educational institutions can only be issued to United States citizens, nationals, and legal permanent resident aliens with the following exceptions: (1) identification that clearly indicates its expiration date can be issued to persons with temporary legal status in the United States if the applicant personally presents certain valid documentary evidence as specified in the bill; and (2) identification that is only valid for use at an educational institution can be issued if it clearly indicates the restricted validity.

FISCAL DESCRIPTION (continued)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Sikeston R-6 School District
City of Centralia
Metropolitan Community College
Missouri Veterans Commission
 Capitol Police
 Fire Safety
 Alcohol and Tobacco Control
 State Emergency Management Agency
Francis Howell School District
St. Louis County
City of Kansas City
Cass County
Office of the State Auditor
Office of the State Public Defender
Office of the State Courts Administrator
Administrative Hearing Commission
Special School District
Missouri Southern State University
State Tax Commission
Missouri Western State University
Department of Agriculture
Linn State Technical College
Truman State University
Office of the Secretary of State
Department of Elementary and Secondary Education
Moberly Area Community College
Missouri Department of Conservation
Office of Administration
Department of Mental Health
University of Missouri
Missouri Highway Patrol
Lincoln University
Missouri Gaming Commission
Missouri Senate

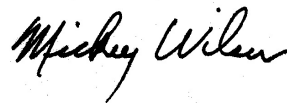
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SOURCES OF INFORMATION (continued)

University of Central Missouri
Department of Revenue
Budget and Planning
Public Service Commission
Office of Prosecution Services
Department of Natural Resources
Department of Insurance, Financial Institutions and Professional Registration
Department of Labor and Industrial Relations
Department of Economic Development
Office of the Attorney General
Department of Health and Senior Services
Department of Higher Education
Missouri Department of Transportation
Department of Corrections

Not Responding

Department of Social Services

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 12, 2009