

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

February 19, 2007

TO: Honorable David Swinford, Chair, House Committee on State Affairs

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB291 by Jackson, Jim (Relating to requiring governmental entities and contractors with governmental entities to participate in the federal work authorization program; providing a penalty.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code to require governmental entities and contractors with governmental entities to participate in the federal work authorization program verifying employee information and providing penalties for noncompliance. The bill would also amend the Government Code to prohibit a governmental entity from awarding a contract for goods or services within this state unless the contractor registers and participates in the federal work authorization program. The bill would require the Texas Workforce Commission to adopt rules to implement the provisions of the bill.

Based on the analysis of the Texas Workforce Commission and the Office of the Attorney General, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

This act would take effect on September 1, 2007.

Local Government Impact

There would be no significant fiscal impact to local entities to implement the provisions of the bill if an entity is already participating in the federal work authorization program. Political subdivisions not already participating in the federal program would see some minimal costs to change the wording on their contracts or to re-award a contract if an ineligible contractor is discovered.

Rural or smaller local entities with a smaller pool of contractors to draw from may have longer wait times to award contracts if local contractors decide that the requirements of the federal program are too costly or require too much paperwork.

Source Agencies: 302 Office of the Attorney General, 320 Texas Workforce Commission

LBB Staff: JOB, KJG, MW, NV