

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 13, 2011

TO: Honorable Byron Cook, Chair, House Committee on State Affairs

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

IN RE: HB202 by Solomons (Relating to requiring state contractors to participate in the federal electronic verification of work authorization program, or E-verify.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would prohibit a state agency from awarding a contract for goods or services to a contractor unless the contractor and any subcontractors register with and participate in the E-verify program to verify employee information. The bill sets forth language that must be included in each contract with a state agency certifying that the contractor is not ineligible to receive the contract. The bill would require a state agency to refer a contractor that was ineligible to have the contract awarded or that has ceased participation in the E-verify program to the Comptroller of Public Accounts (CPA). The bill would require each state agency to develop procedures to administer the provisions of the bill.

The bill would require CPA to bar a contractor from participating in state contracts if the CPA determines the contractor was awarded a contract in violation of the bill's provisions, has ceased participation in the E-verify program, or hired a subcontractor to perform work under the contract who is not participating in the E-verify program.

Several agencies reported changes to administrative procedures or programming and additional contract monitoring would be needed to implement the provisions of the bill. Based on agency responses it is assumed any additional costs could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 303 Facilities Commission, 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 332 Department of Housing and Community Affairs, 529 Health and Human Services Commission, 601 Department of Transportation, 694 Youth Commission, 696 Department of Criminal Justice, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 802 Parks and Wildlife Department

LBB Staff: JOB, KJG, JI, MM, PJK