

FISCAL NOTE

H.B. 116 2nd Sub. (Gray)

SHORT TITLE: Guest Worker Program Act

SPONSOR: Wright, B.

2011 GENERAL SESSION, STATE OF UTAH

STATE GOVERNMENT (UCA 36-12-13(2)(b))

Enactment of this bill will cost the Department of Workforce Services \$701,600 one-time from the General Fund in FY 2012 and \$2,867,000 one-time from the General Fund in FY 2013 for program start-up costs. The bill will cost the Utah State Tax Commission \$854,400 one-time from the General Fund in FY 2013 for programming costs. The bill may cost the Department of Public Safety \$300,000 in one-time General Fund in FY 2013 for renovation costs.

Enactment of the bill may allow additional income tax withholding of an estimated \$11.5 million ongoing to the Education Fund beginning in FY 2014.

Ongoing costs for the Department of Workforce Services are estimated at \$3.3 million per year from the newly created Guest Worker Permit Restricted Account for program operation beginning in FY 2014. An equal amount of revenue will presumably accrue to the account from fees authorized in this bill.

The Department of Public Safety (DPS) will collect as much as \$867,900 per year beginning in FY 2014 for criminal history checks. Annual DPS costs associated with such criminal history checks could be as much as \$354,000 from dedicated credits beginning in FY 2014.

The Legislative General Counsel has attached a detailed Legislative Review Note to this bill. If provisions in the bill are challenged in court, there will be costs associated with defending those provisions.

STATE BUDGET DETAIL TABLE

	FY 2011	FY 2012	FY 2013
Revenue:			
Education Fund	\$0	\$11,543,500	\$11,543,500
Education Fund, One-Time	\$0	(\$11,543,500)	(\$11,543,500)
Total Revenue	\$0	\$0	\$0
Expenditure:			
General Fund, One-Time	\$0	\$701,600	\$4,021,400
Total Expenditure	\$0	\$701,600	\$4,021,400
Net Impact, All Funds (Rev.-Exp.)	\$0	(\$701,600)	(\$4,021,400)
Net Impact, General/Education Funds	\$0	(\$701,600)	(\$4,021,400)

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LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

To the extent that local law enforcement officials choose to detain additional individuals under Section 24 of the bill, enactment of the bill could cost local governments \$122 per stop beginning in FY 2014.

DIRECT EXPENDITURES BY UTAH RESIDENTS AND BUSINESSES (UCA 36-12-13(2)(d))

Approximately 58,000 individuals that apply for a guest worker permit would pay about \$71.26 per year generating \$4.1 million per year in revenue. Individuals that file for a guest worker permit but cannot demonstrate health insurance coverage would pay a \$750 fine. Individuals guilty of prohibited conduct may pay a \$750 civil penalty.

NOTE: All of the above estimates assume the programs established in this bill comes into effect on July 1, 2013 as per Section 4 of this bill. Should the State receive federal waivers before that time, the costs estimated here may be incurred earlier than anticipated in this note.