

# FISCAL NOTE

H.B. 116 3rd Sub. (Cherry)

SHORT TITLE: Utah Immigration Accountability and Enforcement Amendments

SPONSOR: Wright, B.

2011 GENERAL SESSION, STATE OF UTAH

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

Enactment of this bill may cost the Utah State Tax Commission \$487,200 one-time General Fund in FY 2013 for programming costs. This bill may cost the Department of Public Safety \$5,434,200 one-time from the General Fund for start up costs in FY 2013.

Enactment of this 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 Public Safety are estimated at \$6.1 million per year from a newly created 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 \$3.1 million per year beginning in FY 2014 for background checks, fingerprinting, and FBI fees. Associated annual DPS costs could be as much as \$885,000 from dedicated credits beginning in FY 2014.

Enactment of this bill may cost the Department of Public Safety an estimated \$162,200 in FY 2013 and \$116,700 in FY 2014 from the Transportation Restricted - Public Safety Account for training.

To the extent that state law enforcement agencies choose to detain additional individuals for verification of immigration status, those agencies could incur a cost of \$100 per stop.

To the extent that the bill results in cases of public assistance fraud, the Courts would incur a cost of up to \$259 per incident.

There are approximately 640 non-citizen students currently enrolled in various institutions in the Utah System of Higher Education. These individuals generate \$2.3 million in resident tuition. To the extent that these students do not continue their enrollment due to the price change proposed in this bill, institutions would lose this tuition revenue and the associated costs. To the extent that non-citizen students continue enrollment and pay nonresident tuition rates, institutions could collect up to \$7.8 million in nonresident tuition, an increase of up to \$5.5 million per year.

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.

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## 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     | \$0            | \$5,921,400    |
| Transportation Fund Restricted      | \$0     | \$0            | \$162,200      |
| Total Expenditure                   | \$0     | \$0            | \$6,083,600    |
| Net Impact, All Funds (Rev.-Exp.)   | \$0     | \$0            | (\$6,083,600)  |
| Net Impact, General/Education Funds | \$0     | \$0            | (\$5,921,400)  |

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

To the extent that local law enforcement officials choose to detain individuals for verification of immigration status, local governments could incur a cost of about \$100 per stop.

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

Approximately 58,000 individuals that apply for a worker permit would pay about \$159 per year generating \$9.2 million per year in revenue. Individuals guilty of prohibited conduct may pay a \$750 penalty. Individuals who entered the U.S. illegally would pay a \$2,500 fine generating \$117 million in restricted revenue in FY 2014. Those who overstayed visas would pay a \$1,000 fine generating \$11 million in restricted revenue beginning in FY 2014.

Employers will withhold and remit between \$11.5 and \$218 million per year in additional taxes. Businesses will pay a yet to be determined fee to hire individuals participating in the work program. Businesses who hire undocumented and unpermitted immigrants will pay a fine of between \$100 and \$10,000.

To the extent that non-citizen students continue to pursue higher education in Utah they would pay nonresident tuition rates that are about 3.5 times resident tuition rates. The total impact on the non-citizen student population could be up to \$5.5 million per year.

NOTE: All of the above estimates assume the programs established in this bill comes into effect on July 1, 2013 as per Section 11 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.