

**EMPLOYEE VERIFICATION, PROCUREMENT,
AND INCENTIVES**

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Stephen E. Sandstrom

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions related to state affairs in general to condition certain economic incentives and procurement agreements on participation in a federal employee verification program.

Highlighted Provisions:

This bill:

► requires employee verification under a federal employee verification program of a newly hired employee's employment eligibility as a condition for receiving certain economic incentives and procurement contracts including:

- defining terms;
- requiring participation; and
- providing for penalties.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

63-38f-206, Utah Code Annotated 1953



28 **63-56-427**, Utah Code Annotated 1953

29
30 *Be it enacted by the Legislature of the state of Utah:*

31 Section 1. Section **63-38f-206** is enacted to read:

32 **63-38f-206. Employment verification as a requirement for economic development**
33 **incentives.**

34 (1) As used in this section:

35 (a) "Economic development incentive" means one or more of the following:

36 (i) a loan, grant, or other financial assistance described in Part 9, Industrial Assistance
37 Fund;

38 (ii) a partial rebate described in Part 13, Aerospace and Aviation Zone;

39 (iii) a partial rebate described in Part 17, Economic Development Incentives Act;

40 (iv) an incentive described in Part 18, Motion Picture Incentive Fund;

41 (v) monies distributed under Part 19, Economic Development on Military Installations;

42 or

43 (vi) monies or other incentives distributed under Part 21, Economic Development -
44 Government Procurement Contracts.

45 (b) "Employee" means an individual performing or applying for work or service of any
46 kind or character for hire.

47 (c) "Employer" means a person employing or seeking to employ an individual for hire.

48 (d) "Employment" means:

49 (i) the act of employing; or

50 (ii) the state of being employed, engaged, or hired.

51 (e) "Federal employment verification program" means a program to electronically
52 verify employment eligibility that is:

53 (i) operated by the United States Department of Homeland Security to verify
54 information of employees pursuant to the Illegal Immigration Reform and Immigrant
55 Responsibility Act of 1996, P.L. 104-128, 110 Stat. 3009, Title IV, Subtitle A, (as amended
56 2002, 2003); or

57 (ii) a similar program operated by the United States Department of Homeland Security.

58 (2) The office shall require as a condition for receipt of an economic development

incentive that an employer certify that the employer:

(a) participates in the federal employment verification program; and

(b) has not been found to violate the requirements of the federal employment verification program by:

(i) the United States Department of Homeland Security; or

(ii) the office.

(3) (a) If the office learns that an employer does not participate in the federal employment verification program or is found by the United States Department of Homeland Security to violate the requirements of the federal employment verification program within one year after the day on which the employer receives or otherwise claims an economic development incentive, the office may require the employer to repay to the state up to the full value of the economic development incentive as of the day on which the employer receives or otherwise claims the economic development incentive.

(b) If an employer described in this Subsection (3) receives or claims an economic development incentive, the employer shall notify the office of a finding described in Subsection (3)(a) within five business days of the day on which the finding described in Subsection (3)(a) is final.

Section 2. Section **63-56-427** is enacted to read:

63-56-427. Participation in federal employment verification program.

(1) As used in this section:

(a) "Employee" means an individual performing or applying for work or service of any kind or character for hire.

(b) "Employer" means a person employing or seeking to employ an individual for hire.

(c) "Employment" means:

(i) the act of employing; or

(ii) the state of being employed, engaged, or hired.

(d) "Federal employment verification program" means a program to electronically verify employment eligibility that is:

(i) operated by the United States Department of Homeland Security to verify information of employees pursuant to the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, P.L. 104-128, 110 Stat. 3009, Title IV, Subtitle A, (as amended

90 2002, 2003); or

91 (ii) a similar program operated by the United States Department of Homeland Security.

92 (2) A state procurement unit shall require as a condition of any agreement to procure
93 supplies, services, and construction that is the subject of a request for proposals that an
94 employer submit with that employer's response to a bid a certification that the employer:

95 (a) participates in the federal employment verification program; and

96 (b) has not been found to violate the requirements of the federal employment
97 verification program by:

98 (i) the United States Department of Homeland Security; or

99 (ii) the division.

100 (3) (a) If the division learns that the employer does not participate in the federal
101 employment verification program or an employer is found by the United States Department of
102 Homeland Security to violate the requirements of the federal employment verification program,
103 the employer may not enter into a new agreement or renew an agreement to provide supplies,
104 services, or construction to a state procurement unit for one year after the day on which the
105 finding described in this Subsection (3) becomes final.

106 (b) If an employer described in this Subsection (3) has an agreement to provide
107 supplies, services, or contraction to a state procurement unit, the employer shall notify the
108 division of the finding described in Subsection (3)(a) within five business days of the day on
109 which the finding described in Subsection (3)(a) is final.

Legislative Review Note
as of 1-16-07 4:49 PM

Office of Legislative Research and General Counsel

H.B. 127 - Employee Verification, Procurement, and Incentives

Fiscal Note

2007 General Session

State of Utah

State Impact

Enactment of this bill will require a one-time General Fund appropriation of \$9,700 to the Division of Purchasing and General Services for training vendors and staff, as well as implementing form and system changes.

	FY 2007	FY 2008	FY 2009	FY 2007	FY 2008	FY 2009
	<u>Approp.</u>	<u>Approp.</u>	<u>Approp.</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>
General Fund, One-Time	\$0	\$9,700	\$0	\$0	\$0	\$0
Total	\$0	\$9,700	\$0	\$0	\$0	\$0

Individual, Business and/or Local Impact

Individuals and businesses that receive economic incentives or procurement contracts with the state will bear the cost of verifying their employees' employment eligibility.