

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1239 - SB 1165**

March 8, 2019

**SUMMARY OF BILL:** Deletes provision from statute requiring private employers with 50 or more employees to verify the work status of employees through the federal work authorization verification service, E-Verify. Requires such employers and all governmental entities to utilize E-Verify for employees hired on or after January 1, 2020. Prohibits a state or local governmental entity from contracting with any business that does not provide evidence of work status for each employee whom will receive public money pursuant to the contract.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Pursuant to Tenn. Code Ann. §50-1-703(b), private employers with 50 or more employees are required to verify the work authorization status of employees hired on or after January 1, 2017, through the E-Verify program.
- The proposed legislation would require all private employers and governmental entities to verify the work authorization status of employees hired on or after January 1, 2020, through the E-Verify program.
- Pursuant to Tenn. Code Ann. § 50-1-702(13), a private employer is any person required by federal law to report compensation to at least six employees.
- The proposed legislation would require an employer with 6 to 50 employees to verify employee work authorization status through E-Verify; employers with greater than 50 employees were previously required to utilize the program.
- E-Verify is a free work authorization program offered by the United States Department of Homeland Security.
- It is presumed that no existing state or local government contracts will be significantly impacted by the proposed legislation.

**IMPACT TO COMMERCE:**

**NOT SIGNIFICANT**

**HB 1239 - SB 1165**

Assumptions:

- The proposed legislation requires employers with 6 to 50 employees to begin verifying work authorization status of employees hired on or after January 1, 2020.
- The proposed legislation requires any business contracting goods or services with a state or local agency to provide work authorization status of any employee receiving public money.
- E-Verify is a free work authorization program offered by the United States Department of Homeland Security.
- There is no estimated significant impact to commerce or jobs in Tennessee.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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