



## Fiscal Estimate Narratives

DOA 1/30/2008

LRB Number	<b>07-3467/3</b>	Introduction Number	<b>SB-404</b>	Estimate Type	<b>Original</b>
<b>Description</b> Prohibiting contracts with companies that hire illegal aliens					

### Assumptions Used in Arriving at Fiscal Estimate

If enacted, this bill would prohibit state or local governments from procuring construction, services, materials, or equipment from companies that hire illegal aliens. The bill invests the Department of Commerce with rule making authority to implement this provision.

The state's vendor database currently contains over 72,000 for profit businesses. The state building program utilizes about 500 firms. Currently, there does not appear to be any publicly accessible database identifying companies that have been convicted or fined for hiring illegal aliens. The cost to develop such a database base and maintain it is unknown. Further, the bill provides no funding for the collection of data or creation of a database to implement enforcement. In the absence of such a central database, companies dealing with state or local governments could be required to certify their compliance with the provisions of this bill. The cost to verify that such certification has been provided would be minimal for procurements made via bids and requests for proposals (RFP). However without a method to verify the accuracy of these certifications, the state could not guarantee that vendors were compliant with the provisions of this bill.

In addition to procurements made via bid or RFP, the state procures over \$115 million annually for materials, fuel and minor equipment through procurement credit cards. These purchasing cards can be used with any vendor and do not require vendor pre-approval. Consequently, verifying procurements made via a purchase or fuel card would be difficult and expensive to implement.

### Long-Range Fiscal Implications

Unknown