



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0536.02 (005): Prohibit employing aliens not lawfully authorized to accept employment**

Primary Sponsor: Lukas Schubert Status: As Amended in House Committee

☐ Included in the Executive Budget ☒ Needs to be included in HB 2 ☐ Significant Local Gov Impact
☐ Significant Long-Term Impacts ☒ Technical Concerns ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
General Fund (01)	\$2,500,000	\$2,500,000	\$0	\$0
State Special Revenue (02)	\$14,858	\$0	\$0	\$0
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Net Impact	<u>(\$2,500,000)</u>	<u>(\$2,500,000)</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance				

Description of fiscal impact

As amended, HB 536 prohibits the hiring, recruiting, referring, or employing of aliens not lawfully authorized to accept employment, and would provide for the revocation and suspension of licensing for violations. The bill appropriates \$2.5 million to the Department of Justice in each year of the biennium to investigate, prosecute, and county attorneys in enforcing 39-2-305, MCA. Additional fiscal impact to the state includes IT adjustments for the Department of Justice (DOJ) as well impacts to the Department of Labor and Industry (DLI).

FISCAL ANALYSIS

Assumptions

Department of Justice

1. As amended, HB 536 appropriates \$2,500,000 per fiscal year of the 2027 Biennium for the purpose of investigating and prosecuting violations of 39-2-305, MCA and assisting county attorneys in enforcing 39-2-305, MCA. The DOJ cannot reasonably determine how many FTE would ultimately be necessary for implementation of HB 536, and an estimate of 15.00 FTE is being utilized for fiscal note presentation purposes.
2. It is assumed that the cost to the Motor Vehicle Division (MVD) to update the Credentialing and Registration System (CARS) in order to add a license suspension for employing illegal aliens. The cost for CARS definition, configuration, development, testing and deployment would be \$30,000 in FY 2026.
3. It is assumed that the Legal Services Division (LSD) DOJ would need an additional 15.00 FTE, a combination of attorney and crime investigator positions to investigate and prosecute violations, and to provide assistance to counties. Personal services are estimated to be \$152,212 per FTE, or \$2,283,180 per fiscal year, and an additional \$14,455 in operating per FTE, or \$216,820 per fiscal year.

4. If staff FTE cannot accommodate the workload, the division may also need to engage contractor that are not covered by the appropriation in this bill.
5. The Gambling Control Division (GSD) will need to alter application documents to ask additional questions and ensure licensing procedures follow the law if this bill passes and is signed into law. The department does not anticipate additional fiscal impact to complete this work.

Department of Labor and Industry (DLI)

6. In FY 2026, the Workforce Services Division (WSD) within DLI assumes 100 hours of a policy analyst and 40 hours of an administrative supervisor will be needed to revise workforce policies for workforce programs, supportive services, case management, and workforce programs monitoring.
7. In FY 2026, the WSD assumes 40 hours of a business analyst and 40 hours of an administrative specialist will be needed to develop and deliver training to staff in 18 local job service offices on eligibility requirements and documentation processes.
8. In FY 2026, WSD assumes 100 hours of an administrative specialist and 20 hours of an administrative supervisor will be needed to add verification of documentation to programs monitoring workflow for data validation and program implementation.
9. The staff time in the above assumptions will cost \$13,569 in personal services in FY 2026 and will be used for a modified 0.16 FTE.
10. It is assumed that associated operating expenses for the staff time would be \$1,289 in FY 2026.

Department of Revenue

11. The department will implement rules applying to marijuana and alcohol beverage license holders and, if court ordered, would have to suspend or revoke a license under the Cannabis Control Division or Alcohol Beverage Control Division. There will be no additional costs to the department.

Fiscal Analysis Table**Department of Justice**

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
<u>Fiscal Impact</u>				
FTE	15.00	15.00	0.00	0.00
TOTAL Fiscal Impact	15.00	15.00	0.00	0.00
<u>Expenditures</u>				
Personal Services	\$2,283,180	\$2,283,180	\$0	\$0
Operating Expenses	\$216,820	\$216,820	\$0	\$0
TOTAL Expenditures	\$2,500,000	\$2,500,000	\$0	\$0
<u>Funding of Expenditures</u>				
General Fund (01)	\$2,500,000	\$2,500,000	\$0	\$0
TOTAL Funding of Expenditures	\$2,500,000	\$2,500,000	\$0	\$0
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	(\$2,500,000)	(\$2,500,000)	\$0	\$0

Department of Labor and Industry

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<u>Fiscal Impact</u>				
FTE	0.16	0.00	0.00	0.00
TOTAL Fiscal Impact	0.16	0.00	0.00	0.00
<u>Expenditures</u>				
Personal Services	\$13,569	\$0	\$0	\$0
Operating Expenses	\$1,289	\$0	\$0	\$0
TOTAL Expenditures	\$14,858	\$0	\$0	\$0
<u>Funding of Expenditures</u>				
State Special Revenue (02)	\$14,858	\$0	\$0	\$0
TOTAL Funding of Expenditures	\$14,858	\$0	\$0	\$0
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
State Special Revenue (02)	(\$14,858)	\$0	\$0	\$0

STATEWIDE SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<u>Fiscal Impact</u>				
FTE	15.16	15.00	0.00	0.00
TOTAL Fiscal Impact	15.16	15.00	0.00	0.00
<u>Expenditures</u>				
Personal Services	\$2,296,749	\$2,283,180	\$0	\$0
Operating Expenses	\$218,109	\$216,820	\$0	\$0
TOTAL Expenditures	\$2,514,858	\$2,500,000	\$0	\$0
<u>Funding of Expenditures</u>				
General Fund (01)	\$2,500,000	\$2,500,000	\$0	\$0
State Special Revenue (02)	\$14,858	\$0	\$0	\$0
TOTAL Funding of Expenditures	\$2,514,858	\$2,500,000	\$0	\$0
<u>Revenues</u>				
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	(\$2,500,000)	(\$2,500,000)	\$0	\$0
State Special Revenue (02)	(\$14,858)	\$0	\$0	\$0

Technical Concerns**Department of Labor and Industry**

1. DLI implements workforce programs and provides jobseeker supports through WSD. These include supporting citizens with job searches, enrolling them in workforce training programs, and referring them to open jobs. Some workforce training programs allow for initial self-attestation of authorization to work, especially in cases where individuals may face barriers to verification, such as homelessness, being a youth in foster care or a homeless youth, or for individuals who have left behind belongings to escape situations of domestic violence. For details see USDOL Training and Employment Guidance Letter 16-21. This legislation may conflict with these requirements and guidance of the federal programs.

NOT SIGNED BY SPONSOR_____
Sponsor's Initials_____
Date

3/26/25

_____
Budget Director's Initials

3/25/2025

Date