

March 25, 2015

The Honorable Ralph Ostmeyer, Chairperson
Senate Committee on Federal and State Affairs
Statehouse, Room 136-E
Topeka, Kansas 66612

Dear Senator Ostmeyer:

SUBJECT: Fiscal Note for SB 166 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 166 is respectfully submitted to your committee.

SB 166 would enact the Rule of Law Restoration Act, which would take effect on January 1, 2016. Under the bill, no employer or business entity could hire, recruit, or refer for a fee, for employment, an alien knowing the alien is an unauthorized alien with respect to employment or knowing that the alien's employment authorization is based on the fact that the alien received deferred action pursuant to the federal executive memoranda.

The bill specifies that no wage, compensation, or remuneration of any kind for the performance of services paid to an unauthorized alien or to an alien who received deferred action pursuant to the federal executive memoranda would be allowed as a deductible business expense for any state income or business tax purposes in Kansas. This provision would apply whether or not an Internal Revenue Service form 1099 is issued in conjunction with the wages or remuneration.

No driver's license or nondriver identification would be issued to any person who is an alien who received deferred action pursuant to the federal executive memoranda. An alien who applies for a new driver's license or to renew a driver's license would be required to provide a valid passport or any document issued by the federal government indicating the applicant's lawful immigration status.

The Office of the Attorney General states any costs related to the enactment of SB 166 would come from any legal challenges. If a legal challenge were made, the agency indicates it would likely be required to utilize the State Solicitor General and may be required to use outside counsel based upon the amount of discovery required.

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The Kansas Department of Revenue states passage of SB 166 would have a negligible effect on State General Fund revenues.

According to the Kansas Department of Labor, there would be no fiscal effect resulting from the passage of SB 166. Any fiscal effect associated with SB 166 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Jack Smith, KDOR
Willie Prescott, Attorney General's Office
Dawn Palmberg, Labor