

House Bill 246 (H.B. 246) raises several concerns from the perspective of construction business owners, especially smaller firms. While the bill's goal of promoting fair hiring practices is important, its potential impact on labor availability and small businesses far outweighs the benefits. Many industries are already struggling with widespread workforce shortages. Requiring the use of E-Verify could make things worse by shrinking the labor pool further by 80,000. Many undocumented workers play vital roles in keeping projects on track. Losing this segment of the workforce could lead to significant delays, skyrocketing labor costs, and increased competition for the limited number of verified workers available.

For small business owners, the administrative demands of implementing E-Verify are daunting. The program calls for training, ongoing record management, and addressing system errors, which are time-consuming and expensive for businesses with limited resources. On top of that, the penalties outlined in the bill are severe. Fines start at \$250 for each failure to verify employment and escalate to \$25,000 for repeated violations involving terminated employees. Even worse, knowingly employing unauthorized workers could result in permanent license revocation. These harsh repercussions could devastate small businesses that are already operating on thin margins, creating an imbalance where larger, well-resourced firms have an easier time complying with these requirements.

The risks do not stop there. The bill gives individuals the ability to file complaints with the Attorney General, which could lead to additional investigations and penalties even in cases of unintentional errors or E-Verify system failures. This level of scrutiny adds an extra layer of anxiety and uncertainty for business owners, especially those who lack the capacity to handle the administrative burden of managing complex employment verification processes. On top of that, businesses found in violation could face a two-year ban from bidding on state contracts, removing a critical source of income for many construction firms.

Fundamentally, H.B. 246 focuses on addressing unauthorized employment without solving the larger problem at hand. There is a clear need for federal immigration reform. We need a more comprehensive solution that ensures industries like construction have access to a dependable and legal workforce. This includes creating clearer pathways for undocumented workers to gain legal status, modernizing work visa programs, and balancing these workforce needs with secure border policies. Immigration reform is a federal responsibility and state policies like H.B. 246 simply impose extra challenges for businesses without tackling the root cause of the issue.

The bill itself could certainly benefit from adjustments to mitigate its negative effects. Reducing fines for first offenses would prevent small mistakes from becoming financially catastrophic for business owners. Offering state-funded support and training for E-Verify compliance would make the transition more manageable for smaller firms. Including exemptions or additional flexibility for these businesses could also help ease the pressure. However, the most effective step would be for state leaders to press Congress and the

President to act on immigration reform by securing our workforce, rather than burdening small business owners with additional and often overwhelming requirements.

H.B. 246 may aim to create a level playing field by enforcing compliance with hiring laws. For business owners, however, it poses a serious threat to their ability to operate effectively. Its unintended consequences, from labor shortages to financial burdens, make it a flawed solution. A better path forward would involve working on both state and federal levels to enact meaningful immigration changes that support industries like construction, agriculture, manufacturing and healthcare, while promoting fair and lawful hiring practices.



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