

Department of Legislative Services  
Maryland General Assembly  
2014 Session

FISCAL AND POLICY NOTE

House Bill 1050 (Delegates McDonough and McComas)  
Economic Matters and Health and  
Government Operations

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**State Occupational or Professional Licenses - Issuance to Undocumented  
Immigrants - Prohibited**

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This bill prohibits the State from issuing an occupational or professional license, certification, or registration to an undocumented immigrant. “Undocumented immigrant” means an individual who is a foreign national and is illegally present in the United States with the intent to remain in the United States indefinitely.

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**Fiscal Summary**

**State Effect:** General and/or special fund expenditures increase potentially significantly for clerical staff and/or technology resources to the extent that State agencies that issue occupational or professional licenses, certifications, and registrations are required to verify the immigration status of applicants. General and special fund revenues from license, certification, and registration fees are not materially affected.

**Local Effect:** None. The bill applies only to units of State government.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law:** The federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 generally denies eligibility for many State or local public benefits to an alien (any person not a citizen or national of the United States). Certain exceptions apply, both to eligible persons and to eligible public benefits. For example, emergency health services and some social services (such as soup kitchens) are excluded.

However, federal law expressly denies eligibility to nonexempt aliens for a professional license or commercial license provided by an agency of a State or local government or by appropriated funds of a State or local government.

A state may establish that an alien who is not lawfully present in the United States is eligible for any State or local public benefit for which such alien would otherwise be ineligible only through the enactment of a State law after August 22, 1996, which affirmatively makes aliens eligible for specified benefits.

**Background:** In California, Chapter 573 of 2013 authorized the California Supreme Court to admit to the practice of law an applicant who is not lawfully present in the United States upon certification by the examination committee that the applicant has fulfilled the admission requirements. The California Supreme Court subsequently admitted an undocumented immigrant to the state Bar on the basis of the act, which removed the federal statutory barrier.

The Department of Labor, Licensing, and Regulation (DLLR) indicates that it generally asks applicants for licensure, registration, or certification whether they are citizens. DLLR does not independently verify their status, however.

#### *Immigration Status Verification Systems*

The federal Basic Pilot Program began in 1996 as part of the Illegal Immigration Reform and Immigrant Responsibility Act. The program is an attempt to combat the prevalence of document and identity fraud in the employment verification process by providing a voluntary means for employers to verify employee status electronically against federal Social Security and immigration databases. In 2007, the program was expanded and renamed the E-Verify program.

An analysis of E-Verify cases from federal fiscal 2010 found that 98.3% of queries were confirmed as work authorized. Of the nearly 225,000 cases that were initially found not to be authorized, almost 47,000 (21%) were later confirmed as work eligible on appeal; the vast majority of the remaining cases were not contested.

Within DLLR, the Division of Unemployment Insurance utilizes the SAVE Program from the U.S. Citizenship and Immigration Services. This service allows the user to have access to multiple immigration record systems from a variety of government agencies in order to confirm the immigration status of an applicant. This system costs \$10,000 per year and likely must be purchased separately for each division that uses it.

**State Fiscal Effect:** Assuming that the bill requires State agencies to independently *verify* the immigration status of applicants for licensure, registration, or certification, and

that State agencies can use an existing verification software (such as E-Verify or SAVE), general fund and/or special fund expenditures increase for clerical staff and potentially for verification software subscriptions. However, with as many as 500,000 applications for professional licensees or registrations, the administrative burden of verifying the residency status of every applicant may be considerable. Absent additional staff, service levels decline at affected State agencies due to the bill's administrative burden. Potential costs are discussed below.

In addition to the cost of a verification system, if any, DLLR (which licenses electricians, plumbers, real estate agents, barbers, mortgage brokers, and many others) indicates that it requires additional administrative support to manually verify the immigration status of applicants. DLLR's Division of Financial Regulation advises that it requires two office clerks, while DLLR's Division of Occupational and Professional Licensing advises that it requires up to five. Staff needs are reduced to the extent that DLLR consolidates the immigration verification process into a centralized structure, potentially in the Secretary's Office

The Maryland Department of the Environment (MDE) (which licenses asbestos training providers, well drillers, and others) indicates that it also requires two office clerks to manually verify immigration status.

The Department of Health and Mental Hygiene (DHMH) indicates that the bill's requirements can generally be handled within existing resources and processes. DHMH advises that applicants for licensure generally must submit a Social Security number in order to ultimately receive a license. Assuming that this meets the bill's requirements, the bill has no fiscal impact on DHMH. However, Social Security numbers are not typically accepted as proof of legal residency. Therefore, DHMH may require additional staff to verify the status of applicants.

The Public Service Commission (which licenses some taxicab and common carriers), the Maryland Department of Agriculture (veterinarians), and the Motor Vehicle Administration (car dealers and salesmen as well as title service agents) also indicate that the bill's requirements can be handled with existing resources.

*For illustrative purposes only*, assuming five office clerks are required for DLLR (department-wide), and two office clerks are required for MDE to manually verify the immigration status of applicants for licensure, registration, or certification, general fund expenditures increase by about \$300,200 in fiscal 2015, by about \$379,200 in fiscal 2016 (reflecting annualization), and annually thereafter. General and/or special funds increase to the extent that other State agencies require additional staff and/or technology resources to implement the bill.

The bill is not anticipated to materially affect the number of occupational and professional licenses, certifications, and registrations issued by State agencies; therefore, general and special fund revenues are likewise not materially affected.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Labor, Licensing, and Regulation; Department of Health and Mental Hygiene; Maryland Department of Agriculture; Public Service Commission; Maryland Department of the Environment; Maryland Department of Transportation; California State Legislature; Department of Legislative Services

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Analysis by: Stephen M. Ross

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510