



Federation for American Immigration Reform

HB 56:

*Helping to Move Alabama's Economy Forward*

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RELATING TO ILLEGAL IMMIGRATION; TO DEFINE TERMS; TO REQUIRE THE ATTORNEY GENERAL TO ATTEMPT TO NEGOTIATE A MEMORANDUM OF AGREEMENT UNDER CERTAIN CONDITIONS; TO REQUIRE A PERSON TO PRESENT PROOF OF CITIZENSHIP AND RESIDENCY BEFORE VOTING; TO PRECLUDE ANY STATE OR LOCAL GOVERNMENT OR OFFICIAL FROM REFUSING TO ASSIST THE FEDERAL GOVERNMENT IN THE ENFORCEMENT OF FEDERAL IMMIGRATION LAWS; TO PROHIBIT AN ALIEN UNLAWFULLY PRESENT IN THE UNITED STATES FROM RECEIVING ANY STATE OR LOCAL PUBLIC BENEFITS; TO PROHIBIT A PERSON NOT LAWFULLY PRESENT FROM BEING ELIGIBLE ON THE BASIS OF RESIDENCE FOR EDUCATION BENEFITS; TO REQUIRE BUSINESS ENTITIES OR EMPLOYERS SEEKING ECONOMIC INCENTIVES TO VERIFY THE EMPLOYMENT ELIGIBILITY OF THEIR EMPLOYEES AND TO PROVIDE PENALTIES; TO REQUIRE AN ILLEGAL ALIEN TO POSSESS CERTAIN DOCUMENTS ALREADY REQUIRED BY FEDERAL LAW AND TO PROVIDE PENALTIES; TO PROHIBIT AN UNAUTHORIZED ALIEN FROM SEEKING EMPLOYMENT IN THIS STATE AND TO PROVIDE PENALTIES; TO REQUIRE THE VERIFICATION OF THE LEGAL STATUS OF PERSONS BY LAW ENFORCEMENT OFFICERS UNDER CERTAIN CIRCUMSTANCES; TO CRIMINALIZE CERTAIN BEHAVIOR RELATING TO CONCEALING, HARBORING, SHIELDING, OR ATTEMPTING TO CONCEAL, HARBOR, OR SHIELD UNAUTHORIZED ALIENS AND TO PROVIDE PENALTIES; TO CREATE THE CRIME OF DEALING IN FALSE IDENTIFICATION DOCUMENTS AND THE CRIME OF VITAL RECORDS IDENTITY FRAUD AND TO PROVIDE PENALTIES; TO PROHIBIT A BUSINESS ENTITY, EMPLOYER, OR PUBLIC EMPLOYER FROM KNOWINGLY EMPLOYING AN UNAUTHORIZED ALIEN AND TO PROVIDE PENALTIES; TO PROHIBIT CERTAIN DEDUCTIBLE BUSINESS EXPENSES; TO MAKE IT A DISCRIMINATORY PRACTICE FOR A BUSINESS ENTITY OR EMPLOYER TO FAIL TO HIRE A LEGALLY PRESENT JOB APPLICANT OR DISCHARGE AN EMPLOYEE WHILE RETAINING AN EMPLOYEE WHO IS AN UNAUTHORIZED ALIEN UNDER CERTAIN CONDITIONS; TO REQUIRE THE VERIFICATION OF LEGAL STATUS OF EVERY ALIEN CHARGED WITH A CRIME FOR WHICH BAIL IS REQUIRED; TO AMEND SECTION 32-6-9 OF THE CODE OF ALABAMA 1975, RELATING TO DRIVER'S LICENSES; TO REQUIRE LAW ENFORCEMENT TO DETAIN ANY ALIEN WHOSE LAWFUL IMMIGRATION STATUS CANNOT BE VERIFIED UNDER CERTAIN CONDITIONS; TO REQUIRE NOTIFICATION OF THE UNITED STATES BUREAU OF IMMIGRATION AND CUSTOMS ENFORCEMENT AND THE ALABAMA DEPARTMENT OF HOMELAND SECURITY WHEN AN UNLAWFULLY PRESENT ALIEN IS CONVICTED OF STATE LAW; TO PROVIDE FOR A STAY OF THE PROVISIONS OF THIS ACT WHEN AN ALIEN UNLAWFULLY PRESENT IS A VICTIM OR CRITICAL WITNESS OF A CRIME UNDER CERTAIN CONDITIONS; TO AUTHORIZE THE ALABAMA DEPARTMENT OF HOMELAND SECURITY TO HIRE STATE POLICE OFFICERS AND GIVE THE DEPARTMENT ENFORCEMENT POWER UNDER CERTAIN CONDITIONS; TO PROVIDE PENALTIES FOR SOLICITATION, ATTEMPT, OR CONSPIRACY TO VIOLATE THIS ACT; TO REQUIRE THE ALABAMA DEPARTMENT OF HOMELAND SECURITY TO FILE A QUARTERLY REPORT WITH THE LEGISLATURE UNDER CERTAIN CONDITIONS; TO REQUIRE THE ALABAMA DEPARTMENT OF HOMELAND SECURITY TO ESTABLISH AND MAINTAIN AN E-VERIFY EMPLOYER AGENT SERVICE UNDER CERTAIN CONDITIONS; TO PROHIBIT THE ENFORCEMENT OF CERTAIN CONTRACTS UNDER CERTAIN CONDITIONS; TO REQUIRE PUBLIC SCHOOLS TO DETERMINE THE CITIZENSHIP AND IMMIGRATION STATUS OF STUDENTS ENROLLING; TO REQUIRE SCHOOL DISTRICTS TO COMPILE CERTAIN DATA AND SUBMIT REPORTS TO THE STATE BOARD OF EDUCATION; TO REQUIRE THE STATE BOARD OF EDUCATION TO SUBMIT AN ANNUAL REPORT TO THE LEGISLATURE; TO FURTHER PROVIDE FOR ELIGIBILITY AND REQUIREMENTS FOR VOTER REGISTRATION; TO ESTABLISH A STATE ELECTION BOARD; TO PROVIDE DUTIES OF THE BOARD; TO PROVIDE THAT A PERSON MAY OBTAIN A CERTIFIED COPY OF A BIRTH CERTIFICATE FROM THE DEPARTMENT OF PUBLIC HEALTH FREE OF CHARGE UNDER CERTAIN CONDITIONS; TO PROHIBIT AN ALIEN NOT LAWFULLY PRESENT FROM ENTERING INTO A BUSINESS TRANSACTION UNDER CERTAIN CONDITIONS AND PROVIDE PENALTIES; TO PROHIBIT A LANDLORD FROM KNOWINGLY ENTERING INTO A RENTAL AGREEMENT TO HARBOR AN ILLEGAL ALIEN AND PROVIDE PENALTIES; AND IN CONNECTION THEREWITH WOULD HAVE AS ITS PURPOSE OR EFFECT THE REQUIREMENT OF A NEW OR INCREASED EXPENDITURE OF LOCAL FUNDS WITHIN THE MEANING OF AMENDMENT 621 OF THE CONSTITUTION OF ALABAMA OF 1901, NOW APPEARING AS SECTION 111.05 OF THE OFFICIAL RECOMPILATION OF THE CONSTITUTION OF ALABAMA OF 1901, AS AMENDED.

## HB56: Helping to Move Alabama's Economy Forward

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HB56 was enacted to reduce the state's attractiveness as a destination for illegal aliens and to ensure that all of the state's residents respect U.S. immigration law. HB56 protects Alabama's most vulnerable residents who are often discriminated against in hiring because illegal aliens are willing to work off the books for wages that undercut American workers. HB 56 was also adopted in order to strengthen Alabama's economy and it includes a number of aspects that offer significant future economic benefit to the state.

### Economic Benefits

- ▶ Increased opportunity for currently unemployed and underemployed Alabamians;
- ▶ Increased wages for legal workers which means less dependence on social assistance and greater tax revenue for state and local governments;
- ▶ More money spent locally rather than sent out of the country as remittances, which means greater spending, production, and job growth as well as tax collection;
- ▶ A more stable workforce and a level-playing field for all employers;
- ▶ Reduced expenditures on educating the children of illegal aliens, especially with respect to cost of special English instruction;
- ▶ Reduced emergency medical expenditures as well as reduced competition for the limited resources of emergency treatment centers;
- ▶ Increased incentives to modernize and mechanize production that has depended on exploiting low-wage workers.

### Education and Opportunity Vital to Economic Success

The key to U.S. competitiveness is an educated workforce and an economy that creates incentives for native-born workers to participate in the job market. This holds true in Alabama, and HB56 is a positive step in that direction. **A vibrant economy in Alabama is dependent upon a workforce that has the requisite skills to entice employers to set up operation in the state and hire locally.** It also means providing opportunities to less-educated Alabamians so that they can enter the job market, acquiring necessary job skills while supporting their families. Illegal immigration is at odds with these goals. Alabama's HB56 is a corrective.

The Alabama Department of Industrial Relations (DIR) recognizes that a highly educated and skilled workforce provides the foundation for a stable economy. In a 2007 report the DIR encouraged policy makers in Alabama to support initiatives that train and retain educated workers, and it acknowledged that many unemployed Alabamians were willing and able to work.<sup>1</sup> The DIR wrote in April 2007 that **"Businesses offering the right kinds of employment will find a ready pool of Alabama workers waiting to apply."** That was when the unemployment rate in Alabama was at 3.2 percent. That statement is even more true today, with unemployment at 8.1 percent and almost 350,000 Alabamians unemployed or underemployed.

## More Alabamians Are Finding Work Since the Passage of HB56

**The unemployment rate in Alabama since the passage of HB56 has decreased faster than the national average.** In fact, Alabama's unemployment rate has been dropping more than any other state.<sup>2</sup> It is too early to tell if this trend will continue, but the early signs are encouraging. This contradicts those who warned that HB-56 would not put unemployed Alabamians back to work but would instead result in a pronounced economic downturn in the state. Agribusiness was one of the most vocal critics of HB56, but the threat that "crops would rot in the fields" proved to be false. Employers who paid poverty wages to illegal workers have now realized that this practice will no longer be tolerated in Alabama and are changing their ways.

## A Legal Workforce Boosts the Economy

**Legal workers earn more, pay more in taxes, and provide a greater boost to local economies.**<sup>3</sup> Native-born Alabamians are also more likely to remain in Alabama if there are jobs available to them. This stability boosts the economy, as rapid turnover is not conducive to favorable economic outcomes for employers or employees.<sup>4</sup> A more stable, equitable economy results in better funding for public services, especially public schools, which is a major attraction for skilled worker to reside in the state.<sup>5</sup>

The displacement of Alabama workers by illegal aliens results in income inequality and systematic unemployment for low-skilled native-born workers, and it also creates a fiscal burden for taxpayers who must support assistance programs for the unemployed and impoverished. A strong, diversified economy is the best way to recruit and retain skilled workers, and it is the best way to avoid a "boom and bust" economic cycle.<sup>6</sup>

**HB56 also helps to build confidence in the integrity of Alabama's economy.** Consumers know that they are helping to support their fellow citizens, and employers who want to do the right thing by hiring legal workers do not have to worry whether their competitors are gaining an advantage by hiring illegal aliens.

## The Demand for an Educated Workforce is Growing in Alabama

The number of skilled jobs has increased in Alabama, while employment in unskilled occupations has remained flat or decreased.<sup>7</sup> Of the "Hot 40" in demand occupations listed by the Alabama's DIR, 27 of those occupations require at least an associate's degree. The rest require vocational training or job experience to gain the necessary skills.<sup>8</sup> **Alabama needs to provide education and training to its citizens in order to put them in the position to compete for jobs in the state.** HB56 will help to guarantee that state resources are directed to Alabamians who need them, not to those who are in the state illegally.

Alabama's youth especially benefit from job opportunities that result from HB56, giving them access to the job market and invaluable work experience. Alabama's teenagers have an unemployment rate of 21.9 percent, just below their *employment* rate of 24.9 percent. Therefore, expanding the segment of the labor market where few jobs are available and the prospect for growth is counterproductive. Youth who do not enter the job market continue to remain unemployed throughout much of their adult lives, and earn lower wages when they do work. They are also more likely to drop out of high school and have a much higher rate of teen pregnancy, criminal activity, and dependency on social welfare programs.

While the United States still has one of the best educated workforces in the world, our policymakers

have neglected to put in place programs that help those who have fallen behind.<sup>9</sup> Illegal immigration has led to a vast oversupply of low-skilled workers and it has put severe burdens on public schools, which have to divert resources to remedial English and special education classes that could be devoted to better preparing American students to go on to college or to enter the workforce.<sup>10</sup> **HB56 is an investment in Alabama's native-born workforce** and makes Alabama a national leader in this area.

### A Bigger Economy Does Not Mean a Healthy Economy

The economic arguments against HB56 have focused on the contributions of illegal aliens to the growth of Alabama's economy without putting that growth into context. It is true that illegal workers do contribute to the state's overall economic output, or Gross State Product (GSP), but **HB56 will put native Alabamians back to work, who will be paid better wages and spend their money locally.** This will result in an increase in economic gains for the state with a corresponding drop in fiscal costs to taxpayers. The sheer size of the Alabama's economy should not be the exclusive measure of the state's economic wellbeing. Expanding the economy simply for the sake of growth does not mean that native Alabamians will benefit.

Implicit in the specious argument that Alabama's economy needs illegal workers is the assumption that poverty-wage jobs are essential to the state economy, and that employers have no choice but to circumvent the law and pass over the large number of available unemployed native-born workers, in order to stay in business. But in Alabama and in other states with laws similar to HB56, or in places where ICE has conducted worksite enforcement, jobs vacated by illegal aliens have gone to legal workers at better pay.<sup>11</sup> As the DIR points out,

Alabamians are willing and able to work. HB56 gives them a chance to do so, and it provides economic benefits to all of Alabama's *legal* residents.

### Alabama Voters Strongly Support HB56

Alabamians agree that HB 56 helps the state economy and its workforce. A survey conducted by Pulse Opinion Research of likely voters in Alabama found:

- ▶ 75% support HB56 with 52% "strongly supporting" the law.
- ▶ 59% believe that HB56 will free up jobs for legal Alabama workers and will save the state money on services for illegal immigrants, while only 18% believe it will have a negative effect on Alabama's economy.

### HB56 is Making Alabama's Economy Stronger

Allowing illegal aliens to reside and work in Alabama undermines low-skilled native workers in Alabama and it puts a burden on taxpayers who bear the cost of providing services to illegal aliens. Illegal immigration also leads to workforce instability, the effects of which reverberate throughout the economy.

HB56 will help Alabama build a more educated and stable workforce while reducing the costs of illegal immigration. The key question is: What type of economy do the citizens of Alabama want? One that has a stable workforce and a solid middle class base; or one that allows unscrupulous employers to violate federal and state laws by hiring illegal workers who create unfavorable economic conditions for the majority of Alabamians?

## Endnotes

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- 3 Jack Martin and Eric A. Ruark, "The Fiscal Burden of Illegal Immigration on United States Taxpayers," FAIR Horizon Press, July 2010, pp. 72-80 ([http://www.fairus.org/site/DocServer/USCostStudy\\_2010.pdf?docID=4921](http://www.fairus.org/site/DocServer/USCostStudy_2010.pdf?docID=4921)).
- 4 Nancy M. Pindus, Patrice Flynn, Demetra Smith Nightingale, "Improving the Upward Mobility of Low-Skill Workers: The Case of the Health Industry," August 1995, <http://www.urban.org/publications/406317.html>, accessed March 6, 2012.
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- 9 Janet Bray, Ron Painter, and Mitch Rosin, "Developing Human Capital: Meeting the Growing Global Need for a Skilled and Educated Workforce: Business and Education Working Together Can Reduce Barriers to Employment and Create New Pathways to Career Development and Job Growth," McGraw-Hill Research Foundation, December 1, 2011, p. 8 (<http://mcgraw-hillresearchfoundation.org/wp-content/uploads/2011/12/DevelopingHumanCapital.pdf>).
- 10 Eric A. Ruark, "English Language Learners and Immigration: A Case Study: Clark and Washoe Counties, Nevada," FAIR Horizon Press, August 2010 ([http://www.fairus.org/site/DocServer/NEV\\_LEP\\_final.pdf?docID=5201](http://www.fairus.org/site/DocServer/NEV_LEP_final.pdf?docID=5201)).
- 11 Jack Martin, "Recent Demographic Change in Arizona: Anatomy of Effective Immigration Reform Legislation," FAIR Horizon Press, Federation for American Immigration Reform, January 2012 ([http://www.fairus.org/site/DocServer/Arizona\\_DemoChange.pdf?docID=6222](http://www.fairus.org/site/DocServer/Arizona_DemoChange.pdf?docID=6222)).
- 12 "Perdue sees 'consequences', Deal 'encouraged' by new ag workers," WXIA, <http://www.11alive.com/news/article/194795/166/Perdue-sees-consequences-Deal-encouraged-by-new-ag-workers>, accessed March 2, 2012; "After 15 Years, North Carolina Plant Unionizes," *The New York Times*, December 12, 2008 (<http://www.nytimes.com/2008/12/13/us/13smithfield.html>).