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New Indiana Illegal Immigration Law Impacts Employers

Indiana Governor Mitch Daniels recently signed the Compromise Illegal Immigration Reform Bill (SEA 590), which goes into effect July 1, 2011. Employers who contract with Indiana state or local government should consult your legal counsel regarding any new obligations you may have or precautions you should take under this new law.

Here's a summary of the key provisions:

- Requires all state agencies and local government units to use the E-Verify System to check work eligibility status of all newly hired employees
- Prohibits a business who knowingly hires an illegal immigrant from deducting expenses associated with that employee in the calculation of their state income taxes
- Prevents a governmental body in Indiana from enacting a law or policy restricting law enforcement from cooperating with federal officials on illegal immigration
- Requires state and local law enforcement to request the U.S. Department of Homeland Security to issue a detainer for a suspect verified to be in the country illegally, which gives local authorities the authorization to transfer the person to federal custody
- Provides illegal immigrants are not eligible for financial aid, grants, or scholarships and are not eligible to pay in-state tuition rates at state colleges or universities
- Bans state agencies and local governments from entering into or renewing a public contract unless the contractor verifies they do not employ illegal immigrants
- Disallows state agencies and local governments from awarding a grant of more than \$1,000 to a business unless they sign and show documentation that the business is enrolled and participating in the E-Verify program
- Grants state agencies or local government authority to terminate a public contract without penalty if the contractor knowingly employs illegal immigrants
- Mandates the Indiana Department of Correction to make a reasonable effort to verify the status of all offenders committed to a correctional facility
- Requires the Indiana Department of Workforce Development to verify citizenship before determining eligibility for unemployment benefits
- Establishes penalties for someone who knowingly or intentionally transports, conceals, harbors or shields from detection an illegal immigrant for commercial or private financial gain
- Makes it illegal to use or accept individual tax identification numbers or identification issued by consulates for purposes other than provided in federal law

To access and read a fully copy of Indiana SEA 590 click [here](#).