



HOUSE BILL 35: Protect North Carolina Workers Act.

2017-2018 General Assembly

Committee:	House Commerce and Job Development. If favorable, re-refer to Agriculture. If favorable, re-refer to Judiciary III	Date:	April 24, 2017
Introduced by:	Reps. Cleveland, Millis, Conrad, Destin Hall	Prepared by:	Greg Roney Committee Counsel
Analysis of:	PCS to First Edition H35-CSTM-7		

OVERVIEW: *The Proposed Committee Substitute (PCS) for House Bill 35 would require businesses to use the federal E-Verify program if the business has 15 or more employees. The PCS would also redefine employee to include short-term employees and exclude farm workers, independent contractors, and household employees who provide intermittent domestic services.*

Compared to the first edition, the PCS makes 1 change: Setting the number of employees required before a business must use E-Verify at 15.

CURRENT LAW: E-Verify is a voluntary internet-based federal program that employers may use to verify the work authorization of newly hired employees. The program is administered by the US Department of Homeland Security in partnership with the Social Security Administration. Federal law does not generally require the use of E-Verify.

Under State law (G.S. 64-25), private businesses with 25 or more employees must use E-Verify. The definition of employee excludes individuals whose term of employment is less than 9 months.

BILL ANALYSIS: The PCS for House Bill 35 would lower the number of employees required before a business must use the federal E-Verify program to 15 employees (currently, 25 employees).

The PCS would include short-term employees when determining the number of employees for E-Verify compliance. However, the following 3 groups are excluded when determining the number of employees:

- Farm worker. – An individual who maintains farms, crops, or livestock by doing physical labor or operating machinery under the supervision of a farmer, rancher, or other agricultural manager. The term does not include those who merely plant, transplant, or transport trees.
- Independent contractor. – An individual who carries on independent business, contracts to do a piece of work according to the individual's own means and methods, and is subject to control only as to results. The determination is on a case-by-case basis, and the characterization by the individual is not controlling.
- Household employee. – An individual who provides intermittent domestic services

BACKGROUND: As of August 1, 2015, the National Conference of State Legislatures (NCSL) determined: 9 states require E-Verify for all employers (Alabama, Arizona, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Utah).

EFFECTIVE DATE: The PCS for House Bill 35 would be effective October 1, 2017.

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578