



This Bill Analysis reflects the contents of the bill as it was presented in committee.

HOUSE BILL 244: Contractor/Subcontractor Compliance.

2019-2020 General Assembly

Committee:	House State and Local Government. If favorable, re-refer to Commerce. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 25, 2019
Introduced by:	Reps. Cleveland, Conrad, D. Hall, Henson	Prepared by:	Howard Marsilio Committee Counsel
Analysis of:	PCS to First Edition H244-CSBG-25		

OVERVIEW: *The Proposed Committee Substitute for House Bill 244 would require all contractors and subcontractors with one or more employees, doing business with the State or a political subdivision thereof, to comply with the laws relating to verifying work authorization through E-Verify.*

CURRENT LAW: Pursuant to Article 2 of Chapter 64 of the General Statutes, employers with 25 or more employees must verify the work authorization of newly hired employees through E-Verify, which is an electronic program through which employers submit information taken from a new hire's Form I-9 (Employment Eligibility Verification Form) and compare that information to records available to the U.S. Department of Homeland Security (DHS) and the Social Security Administration to determine whether the information matches government records and whether the new hire is authorized to work in the United States. North Carolina's verification requirement does not apply with respect to a seasonal temporary employee who is employed for 90 or fewer days during a period of 12 consecutive months.

State agencies, universities, counties, cities, and other political subdivisions of the State are prohibited from entering into a contract unless the contractor, and the contractor's subcontractors, comply with North Carolina's E-Verify hiring requirements of Article 2 of Chapter 64 of the General Statutes.

In entering into those contracts, two main bodies of law apply:

- Article 3 of Chapter 143 of the General Statutes, which generally requires that the Division of Purchase and Contract in the Department of Administration handle all contracts in excess of certain "benchmarks" for the purchase of supplies, materials, equipment, other tangible personal property and service contracts by covered State agencies.
- Article 8 of Chapter 143 of the General Statutes, which sets forth the general law governing when a contract involving a State agency, university, county, city, and other political subdivisions of the State must be bid, and how.

BILL ANALYSIS: Sections 1 and 3 would require all contracts entered into under Article 3 of Chapter 143 or Article 8 of Chapter 143 to require contractors and subcontractors with one or more employees, that are a party to the contract, to use E-Verify. For the purposes of this section, the definition of employer would not include State agencies, counties, municipalities, or other governmental bodies.

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Sections 2 and 4 would make a technical corrections and make conforming changes.

EFFECTIVE DATE: This act becomes effective October 1, 2019, and applies to contracts awarded, renewed, or amended on or after that date.