



# HOUSE BILL 1214: Make E-Verify Great Again.

2025-2026 General Assembly

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**Committee:** House Judiciary 2. If favorable, re-refer to Agriculture and Environment. If favorable, re-refer to Appropriations. If favorable, re-refer to Rules, Calendar, and Operations of the House  
**Date:** June 9, 2026

**Introduced by:** Reps. Gillespie, N. Jackson, Moss, Carson Smith  
**Prepared by:** Michael Johnston  
 Staff Attorney

**Analysis of:** PCS to First Edition  
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**OVERVIEW:** *The Proposed Committee Substitute (PCS) to House Bill 1214 would do the following:*

- *Require State and local government employers to comply with Article 2 of Chapter 64 of the General Statutes, Verification of Work Authorization.*
- *Create a good-faith safe harbor for employers who unknowingly receive fraudulent documentation related to the federal E-Verify program.*
- *Allow the Commissioner of Labor to conduct random compliance checks related to E-Verify.*
- *Allow employers to cure certain alleged violations of E-Verify requirements.*
- *Increase civil penalties for employers who fail to comply with E-Verify requirements.*
- *Add reporting of suspected E-Verify violations to the list of protected activities under the Retaliatory Employment Discrimination Act (REDA).*
- *Appropriate funds to the Department of Labor for the enforcement of this Act.*

## **SECTION 1: E-VERIFY MODIFICATIONS**

### **CURRENT LAW:**

Under federal law, employers in the United States must verify that their employees are authorized to work in the United States. E-Verify is an internet-based federal program available to employers to verify the work authorization of newly hired employees. E-Verify is administered by the United States Department of Homeland Security in partnership with the Social Security Administration.

Under current law, Article 2 of Chapter 64 of the General Statutes, any person, business entity, or other organization that transacts business in this State and that employs 25 or more employees in this State must use E-Verify to verify the work authorization of newly hired employees. Upon receipt of a complaint alleging a violation of that requirement, the Commissioner of Labor investigates the complaint, and if the complaint is not false or frivolous, the Commissioner holds a hearing to determine if a violation has occurred. If appropriate, the Commissioner imposes penalties as follows:

- For a first violation, the Commissioner orders the employer to file a signed sworn affidavit stating that the employer has requested a verification of work authorization through E-Verify. If the

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employer fails to timely file the affidavit, then the Commissioner orders the employer to pay a civil penalty of \$10,000.

- For a second violation, the Commissioner orders the employer to file the signed sworn affidavit and also orders the employer to pay a civil penalty of \$1,000, regardless of the number of required employee verifications the employer failed to make.
- For a third or subsequent violation, the Commissioner orders the employer to file the signed sworn affidavit and also orders the employer to pay a civil penalty of \$2,000 for each required employee verification the employer failed to make.

Article 2 of Chapter 64 of the General Statutes does not apply to State agencies, counties, municipalities, or other governmental bodies. However, State agencies, departments, institutions, universities, community colleges, local education agencies, counties, and municipalities are required to use E-Verify to verify the work authorization of newly hired employees under other provisions of State law.

## **BILL ANALYSIS:**

**Section 1** would make the following changes regarding E-Verify:

State and local government employers: This section would require State agencies, departments, institutions, universities, community colleges, local education agencies, counties, and municipalities to comply with Article 2 of Chapter 64 of the General Statutes.

Good-faith safe harbor: This section would provide that an employer acting in good-faith compliance with E-Verify requirements would not be subject to civil penalties solely because an employee submitted fraudulent information or documentation that could not reasonably have been detected.

Random compliance checks: This section would authorize the Commissioner to conduct random compliance checks of employers to determine compliance with E-Verify requirements. Random compliance checks would be conducted in a neutral and nondiscriminatory manner based on a randomized sample of all employers registered with the Secretary of State, weighted by size and industry. The Commissioner would provide written notice to the employer, and the employer would provide requested records within 30 calendar days of receiving the notice. Compliance checks would be limited to documentation required by law to be maintained or submitted by the regulated person or entity and would not authorize the State to enter private property without consent or other lawful authorization.

Cure period: This section would provide employers with a 30-day cure period to cure certain alleged E-Verify violations by enrolling in E-Verify, completing required verifications, and otherwise complying with E-Verify requirements.

Civil penalties: With respect to civil penalties for E-Verify violations, this section would eliminate the requirement that an employer file a signed sworn affidavit and modify civil penalties as follows:

- For first violations, if the employer fails to cure the violation within the 30-day cure period, the Commissioner could impose a civil penalty of up to \$1,000 for each required employee verification the employer failed to make, with a maximum civil penalty of \$3,000.
- For second violations, the Commissioner would order the employer to pay a civil penalty of \$2,000 for each required employee verification the employer failed to make, with a maximum civil penalty of \$10,000. Additionally, an employer would only be subject to heightened penalties for a second violation if the violation occurs within five years after an order has been issued for a first violation.
- For third or subsequent violations, the Commissioner would order the employer to pay a civil penalty of \$5,000 for each required employee verification the employer failed to make, with a

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maximum civil penalty of \$25,000. The Commissioner could also refer the matter to the Attorney General for appropriate enforcement action.

This section would also make conforming changes to existing law.

Section 1 would become effective July 1, 2027, and would apply to violations occurring on or after that date.

## **SECTION 2: REDA MODIFICATION**

### **CURRENT LAW:**

The Retaliatory Employment Discrimination Act, Article 21 of Chapter 95 of the General Statutes, prohibits any person from discriminating or taking any retaliatory action against an employee because the employee in good faith does or threatens to file a claim or complaint, initiate any inquiry, investigation, inspection, proceeding or other action, or testify or provide information to any person with respect to certain listed statutes, including the Workers' Compensation Act, the Wage and Hour Act, and the Occupational Safety and Health Act of North Carolina. An employee allegedly aggrieved by a REDA violation can file a complaint with the Commissioner of Labor, who then investigates the alleged violation. The Commissioner or the aggrieved employee can then file a civil action in superior court seeking an injunction, reinstatement, and compensation for economic losses.

### **BILL ANALYSIS:**

**Section 2** would include filing a claim or complaint, initiating any inquiry, investigation, inspection, proceeding or other action, or testifying or providing information to any person with respect to Article 2 of Chapter 64 of the General Statutes as protected conduct under REDA.

Section 2 would become effective October 1, 2026, and would apply to discriminatory or retaliatory actions taken on or after that date.

## **SECTION 3: APPROPRIATION TO THE DEPARTMENT OF LABOR**

Section 3 would appropriate from the General Fund to the Department of Labor the sum of \$448,195 in recurring funds for the 2026-2027 fiscal year for five full-time equivalent positions to assist in the enforcement of this Act. These positions would be designated as exempt policymaking positions of the Commissioner of Labor, not subject to the limitations under G.S. 126-5(d)(2).

Section 3 would become effective July 1, 2026.

**EFFECTIVE DATE:** Except as otherwise provided, this act would become effective when it becomes law.