



**COSTLY IN EVERY WAY:
STATES THAT HAVE IMPLEMENTED HARSH ANTI-IMMIGRANT LAWS FACE GRAVE ECONOMIC RISKS**

Nearly everyone in our country agrees that our immigration system is broken. [Two-thirds of us](#) agree that unauthorized immigrants must be brought into the mainstream of our society and our economy. Unfortunately, anti-immigrant rhetoric and anti-immigrant state measures, which began to wane in 2009 and 2010, are back on states' agendas. Legislators in at least twenty-two states have already announced their intention to propose copy-cat bills modeled on Arizona's new law, SB 1070.

These bills raise serious questions, from Constitutional to practical. Enforcement-only strategies will force more workers into exploitative off the books employment that threatens labor standards for all working people. More importantly, such proposals do nothing to bring the some eight million undocumented immigrants working in our country out of the shadows. Instead, states should adopt proposals that would protect all workers against the actions of unscrupulous employers.

At a time when 46 states are suffering from budget shortfalls totaling [\\$121 billion](#), these measures threaten states' economies in several ways. They cost money to implement and to litigate. Labor commissioners and economists have expressed concern about the damage that "enforcement only" approaches will further damage states' economies, because studies show that immigrants represent a sum contribution to our economy.

Costly to Implement

Arizona's harsh immigration enforcement law, SB 1070, "[Support Our Law Enforcement and Safe Neighborhoods Act](#)", requires state and local law enforcement agencies to check the immigration status of individuals they encounter and makes it a state crime to be without proper immigration documentation. The law criminalizes a day laborer's search for work in public places.

The Arizona legislature did not produce fiscal analysis on how much SB 1070 will cost the state. However, a [fact sheet](#) produced by Yuma County Sheriff on similar legislation proposed in 2006 found that in that county alone, law-enforcement agencies would spend between \$775,880 and \$1,163,820 in processing expenses; jail costs would be between \$21,195,600 and \$96,086,720.

In 2006, the [State of Colorado](#) passed a series of bills that its legislature touted as the toughest anti-illegal immigration legislation in the nation. The new laws were meant to deny public services to undocumented immigrants unless required under federal law, create a new penalty for use of fraudulent documents, enroll all state departments in the federal electronic verification program, and require state police to enforce immigration laws. A year later, eighteen state departments have reported they have spent a total of \$2.03 million on implementation of the new laws. The number of undocumented immigrants that they identified? — None.

Costly to Litigate

Regulation of immigration and enforcement of civil immigration laws are inherently federal responsibilities under Article I of the Constitution. Thus far, [five private lawsuits](#) and a lawsuit by the federal [Department of Justice](#) have been filed to challenge Arizona's SB 1070. The [United States Supreme Court](#) has just accepted review of Arizona's 2007 law creating a state-level employer sanctions scheme. Although no data are available on the costs of that litigation to Arizona citizens, some cost estimates have emerged from other litigation.

In [Hazleton, Pennsylvania](#) the city's insurance carrier is asking a federal judge to rule that it is not responsible for nearly \$2.4 million in attorney fees being sought by the plaintiffs who successfully challenged the city's Illegal Immigration Relief Act.

In [Riverside, New Jersey](#), the town of 8,000 had already spent \$82,000 in legal fees defending its ordinance penalizing those who employ or rent to unauthorized immigrants, when the ordinance was rescinded in September, 2007.

The city of [Farmers Branch, Texas](#), has spent \$3.2 million in legal fees defending itself since September 2006 in unsuccessful litigation purporting to prohibit landlords from renting to unauthorized immigrants. The ordinance was permanently enjoined in March 2010.

In 2008, according to the [Mexican American Legal Defense and Education Fund](#), Valley Park, Missouri City Attorney [Eric Martin estimated](#) the costs to taxpayers from the city defending a variety of lawsuits related to its illegal-immigration law totaling more than \$273,000 over two years.

Costly to State Economies

The negative effect of eliminating the undocumented workforce from the US would be a loss of \$651,511,000,000 in annual economic output and \$1.757 trillion in annual spending, according to a [2008 study](#).

[Studies in sixteen states](#) clearly indicate that undocumented workers are currently making contributions to the US economy and society. In a study for Americans for Immigration Reform, the Perryman Group estimated, by state, the [cost to economies](#) if unauthorized immigrants were removed from the workforce. Their study found an average loss of 3% of all jobs across the country, with totals of 5% or more in Texas, Nevada, California and Arizona. Initial job losses would total above 8 million, with losses to total gross product of \$651 billion nationwide.

A [study](#) released in July 2007 by the University of Arizona's Udall Center for Studies in Public Policy concluded that economic output would drop annually by at least \$29 billion, or 8.2 percent, if all non-citizens, which include undocumented workers, were removed from Arizona's workforce.

The [City of Phoenix estimated](#) that the loss of convention revenue as a result of SB 1070 could total \$90 million due to boycotts already announced or expected.

While enforcement-only strategies yield a net loss to the nation and to states, a [January 2010 study](#) by Dr. Raúl Hinojosa-Ojeda, conducted for the Immigration Policy Center and the Center for American Progress, estimates that during the first three years after legalization, the higher earning power of newly legalized workers "would generate [\\$4.5 to \\$5.4 billion](#) in additional net tax revenue."

Real problem, Real Solution

The real problem for state treasuries and immigrant and non-immigrant workers are employers who pay workers “off the books,” fail to provide workers’ compensation or pay their fare share of payroll taxes, fail to offer workers a lawful wage and a safe place to work – as well as weak labor and employment enforcement regimes in many states. The solution is strong labor standards, coupled with vigorous enforcement of those rules against low-road employers who abuse workers. NELP’s paper on models for enforcement, [From Anti-Immigrant to Pro-Worker](#), offers some alternatives.