



A R I Z O N A  
H O T E L & L O D G I N G  
A S S O C I A T I O N

***2007 Employer Sanctions Wrap Up Report  
Prepared by AzHLA Government Relations Group  
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The fight over immigration wasn't only happening at the Federal level, but surrounding the State Capitol this legislative session. In an effort to stop an Employer Sanctions ballot initiative the business community got in engaged early on in this "monumental" legislation. Arizona is preempted from placing fines on businesses that employ illegal aliens, so the focus of the legislation quickly became revoking business licenses. HB 2779; Fair and Legal Employment Act morphed into many forms throughout the session before being adopted at the last hour on the last day of Session. Provisions of the bill are defined below. For a more comprehensive fact sheet please call our office.

- Creates a two tiered approach for suspension or revocation of a business license, "knowingly" hire vs. "intentionally" hire.
- All business in the state of Arizona will be mandated to use the Federal Basic Pilot Program starting January 1, 2008.
- Proof of verifying the employment authorization through the Basic Pilot program creates a rebuttable presumption that an employer did not knowingly or intentionally hire an unauthorized alien.
- An employer who establishes that it has complied in good faith with the requirements of 8 United State code section 1224b establishes an affirmative defense that the employer did not knowingly or intentionally hire an unauthorized alien.
- Defines "knowingly" as anyone who hires an illegal alien who does not go out and recruit illegal aliens.
- Defines "intentionally" as anyone who recruits illegal aliens
- Creates a Class 3 misdemeanor for anyone who falsely accuses a business of hiring illegal aliens.
- Complaints will be filed at the County Attorney's office and be investigated.
- If the Employer is found to be in violation the County Attorney will take it to Superior Court.

Knowingly Hire - First Offense	Intentionally Hire - First Offense
<p>File an affidavit that the employer as terminated all illegal aliens within 3 business days.</p> <ul style="list-style-type: none"> <li>• If an employer fails to file the affidavit then the court shall suspend the Employers business license.</li> <li>• The license will remain suspended until the Employer files the affidavit.</li> </ul>	<p>Same as “knowingly” hire</p>
<p>Placed on a 3 year probation period.</p>	<p>Placed on a 5 year probation period.</p>
<p>Will have to file quarterly reports of all employees hired at the location the violation occurred.</p>	<p>Same as “knowingly” hire</p>
<p>The Superior Court Judge <b><u>MAY</u></b> suspend a business license for up to ten days. It is at the Judge’s discretion and based on the following factors.</p> <ul style="list-style-type: none"> <li>• The number of unauthorized aliens employed by the employer.</li> <li>• Any prior misconduct by the employer.</li> <li>• The degree of harm resulting from the violation.</li> <li>• Whether the employer made good faith efforts to comply with any Applicable requirements.</li> <li>• The duration of the violation</li> <li>• The role of the directors, officers or principals of the employer in the violation.</li> <li>• Any other factors the court deems appropriate.</li> </ul>	<p>The Superior Court Judge <b><u>SHALL</u></b> suspend a business license for ten days.</p>
<p>If the violation occurs within the 3 year probation period the Employer’s business license <b>SHALL</b> be revoked.</p>	<p>If the violation occurs within the 5 year probation period the Employer’s business license <b>SHALL</b> be revoked.</p>