

Tennessee Law Penalizes State Contractors who Hire Illegal Immigrants

A new Tennessee law came into effect earlier this year. It is designed to penalize contractors who hire illegal immigrants. The law affects persons or entities which provide goods or services to state agencies, such as state contractors. The law prohibits state agencies from contracting with any company who knowingly hires illegal immigrants. Inversely, it excludes contractors who knowingly hire illegal immigrants from contracting with state agencies.

The law mandates before entering into a contract with the state for goods or services, a contractor must attest in writing that the contractor “will not knowingly utilize the services of illegal immigrants in the performance of the contract, and will not knowingly utilize the services of any subcontractor who will utilize the services of illegal immigrants in the performance of the contract.” In effect, the contractor is responsible for its employees as well as those of its subcontractors. This is different and more stringent than the federal law, where generally employers are only responsible for their own employees.

The enforcement mechanism for the law is severe. Any contractor who contracts to supply goods or services to the state or who submits a bid, faces a one-year bar if it is discovered the contractor knowingly hired an illegal immigrant. For state contractors, a finding that they knowingly hired illegal immigrants could effectively put them out of business on account of the bar. Because the law is so recent, the procedure for appealing the bar has not been finalized.