

Restaurateurs can't afford to sit out the battle as state legislators crack down on immigration

BY TAMAR JACOBY

It's like a fever — call it “copycat fever.” Georgia started it, followed by Oklahoma, then Arizona. Now hardly a state legislature is immune: Everyone wants to crack down on illegal immigration.

In 2006, state lawmakers enacted 84 immigration enforcement bills. In 2007, the number nearly tripled to 240. Since Congress failed to pass an immigration overhaul last June, the fever has only grown worse. Legislators from coast to coast have promised voters they'll “do something,” and in all too many states they're proceeding with shocking disregard for the legislation's likely effect on the local economy.

Not all of these new laws are targeted at employers, but many are. So far, a total of 33 bills in 19 states have been introduced. The Arizona statute is the toughest. It requires that all employers in the state use the federal E-Verify system. Its “two strikes and you're out” provision suspends the business

license of any firm found to be hiring an unauthorized worker, and then, on the second offense, revokes it entirely — a death penalty for most employers. Other states including Georgia, Colorado and Oklahoma zero in on firms that contract with the state government. Still others disallow tax deductions for illegal workers or limit public subsidies for companies that will not certify that their employees have legal status.

This legislation is sending ripple effects through the economy in state after state. Some employers hoping to avoid trouble simply fire foreign workers, no questions asked. More often, the employees are fleeing, leaving firms unable to compete for contracts or finish jobs. Shops in immigrant enclaves in Oklahoma have reported business down by 40 percent. Schools in heavily Hispanic neighborhoods in Arizona are registering a similarly dramatic drop-off in enrollment.

Though the economic consequences of the laws — business closings, increased wages, higher prices, reduced appeal for companies considering relocating in the state — have yet to be documented in any state, there can be little question: All of that

and more is on the way. As one Republican legislator put it in Oklahoma, “House Bill 1804 will be the single most destructive economic disaster [to hit Oklahoma] since the Dust Bowl.”

Still, the copycat fever is spreading. Once again this year, immigration is on the agenda in states across the country, with particularly intense fights in Virginia, Mississippi, South Carolina, Indiana and New Jersey, to name just a few.

But what's striking is that something very different is happening at the national level on the campaign trail. There, astonishingly, the fever of 2007 seems to have broken.

The change was as sudden as it was startling. As recently as December, the conventional wisdom left no room for doubt. Immigration, dubbed the new “third rail of American politics,” was going to be the wedge issue of the 2008 election. Any candidate
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