

## **Anti-Immigrant Ordinances Have Real Economic and Political Costs for Cities that Enact Them:**

**June 2009**

*A survey of the costs and consequences of anti-immigrant measures*

As towns, cities, and counties in the United States consider laws and ordinances that would regulate immigration, enact penalties on businesses and landlords, or adopt English-only requirements, the consequences of such legislation dictate caution.

Legal challenges to local laws have resulted in major court-awarded attorneys' fees against towns and cities, massive legal fees to defend the ordinances, and potential liability in the millions of dollars.

Some of the most vocal proponents of anti-immigrant ordinances have faced electoral defeats, suggesting a potential backlash from voters rejecting perceived intolerance and wasting of taxpayer money.

Communities enacting anti-immigrant ordinances have reported major losses to the local economy, divided communities where Latinos feel ostracized and unwelcome, and a discriminatory climate that leads to racial profiling by police and others.

### ***Litigation Costs: Cities Spend Millions Defending Anti-Immigrant Ordinances***

**Hazleton, Pennsylvania:** The city is defending a legal challenge to its ordinance classifying certain immigrants as "illegal aliens," and denying them access to housing and employment.

- *Potential attorneys fees to plaintiffs of **over \$2.4 million**; In major blow to Hazleton, the City's insurance carrier wins court order that it is not obligated to reimburse the City for attorneys' fees awarded to the plaintiffs, or for certain fees accrued by the City in its own defense.*

["Legal bills may sock Hazleton."](#) Terrie Morgan-Besecker, *Wilkes-Barre Times-Leader*, May 8, 2009. (reporting on the legal battle between Hazleton, PA and its insurance carrier. Hazleton is potentially on the hook for upwards of \$2.4 million in attorneys' fees of plaintiffs who challenged the city's anti-immigrant ordinance, which was struck down by a federal district court after a 2-week trial. That decision was then appealed to the Third Circuit. Hazleton's carrier disputes that it has any responsibility to cover Hazleton for the legal fees, which are in addition to the city's own legal defense costs.)

On May 28, 2009, a U.S. district court ordered that Hazleton's insurance carrier is not obligated to reimburse the City for any award to plaintiffs against Hazleton, or for certain attorneys' fees accrued by the City in its own legal defense. [Scottsdale Ins. Co. v. City of Hazleton](#), No. 3:07-CV-1704, 2009 U.S. Dist. LEXIS 44861 (M.D. Pa. May 28, 2009)

**Farmers Branch, Texas:** The city has passed a series of ordinances denying immigrants access to rental housing. After twice amending the ordinance in response to legal challenges and settling the first round of plaintiffs' attorneys' fees, it continues to defend the latest version of the ordinance in federal court.

- *City has already spent **over \$2.5 Million** on its own legal fees and settlement of plaintiffs' attorneys' fees in ongoing defense of anti-immigrant ordinances*

["Farmers Branch to spend nearly \\$500,000 more on legal fees in immigrant ordinances suits."](#) Jon Nielsen, *The Dallas Morning News*, April 8, 2009. (reporting on Farmers Branch, TX's settlement of \$470,000 in attorney's fees to challengers of the city's first version of an anti-immigrant rental housing ordinance. Litigation is ongoing on the city's latest version of the law. To date, Farmers Branch is reported to have spent more than \$2 million on its own legal fees in defending the ordinances from legal challenges.)

["Farmers Branch to delay some projects to cover budget shortfall."](#) Stephanie Sandoval, *The Dallas Morning News*, January 24, 2009. (highlighting Farmers Branch budget shortfall as the year began, and attributing it in part to legal fees associated with defending the City's anti-immigrant ordinances. The deficit has meant that Farmers Branch was forced to put off street maintenance projects, as well as city vehicle and equipment purchases.)

**Riverside, New Jersey:** The city passed an ordinance, modeled after that of Hazleton, Pennsylvania, classifying certain immigrants as "illegal aliens," and denying them access to housing and employment. After initially defending the law against a legal challenge, the city repealed the ordinance.

- *After small town spends **\$82,000** in legal fees, abandons anti-immigrant ordinance*

["How illegal immigration is dividing a town's business owners."](#) David Holthouse, *CNNMoney.com*, April 18, 2008. ("Riverside [NJ] officials spent \$82,000 in attorney fees, forcing the delay of road-improvement projects and repairs to City Hall. It then became the nation's first town to rescind an immigration ordinance, in September 2007 . . .")

**Escondido, California:** The city passed a local ordinance to deny rental housing to immigrants. After a federal court issued a temporary restraining order against the ordinance, the city abandoned their legal defense, withdrew the ordinance, and settled attorneys' fees for plaintiffs.

- *After **almost \$300,000** in legal fees and settlement costs, city withdraws anti-immigrant ordinance*

["Defending immigration ordinances gets spendy."](#) AP, *MSNBC.com*, May 5, 2007. (reporting that Escondido, CA rescinded its anti-immigrant ordinance and settled plaintiffs' attorneys' fees for \$90,000 after incurring at least \$200,000 in its own legal fees to defend the ordinance.) The Escondido city council also said in an [official statement](#) on the legal settlement that defending the ordinance would have cost the city upwards of \$1 million, in addition to potential plaintiffs' fee awards.

### ***Political Consequences: Politicians With Hard-line Stances Against Immigrants Losing Races***

["Immigration at Issue in Suburban Chicago Race."](#) Lori Rotenberk, *The New York Times*, April 9, 2009. (covering incumbent mayor's loss at the polls in Waukegan, IL because of anti-immigrant hard-line stance and grassroots mobilization by the town's growing Hispanic population.)

["More Immigration Losers: GOP hardliners need to face reality,"](#) *The Wall Street Journal* blog, December 2, 2008. ("For the second straight election, incumbent Republicans who attempted to turn illegal immigration into a wedge issue fared poorly.") The commentary cites to a review of the November 2008 election by America's Voice, a national advocacy group, showing that [20 of 22 winners in competitive U.S. House and Senate races](#) ["advocated immigration policies beyond enforcement only."](#)

["Democrats make big House, Senate gains,"](#) Jerome L. Sherman, *Pittsburgh Post-Gazette*, November 5, 2008. (noting that Hazleton, PA mayor Lou Barletta lost a congressional bid after attracting "national headlines as a champion of anti-immigrant legislation . . . ." Virtually all media coverage of this race leading up to the election associated Barletta with a hard-line stance on immigration. Barletta's opponent was widely considered one of the most vulnerable Democrats up for re-election.)

["Controversies hurt 4 mayors ousted in St. Louis area,"](#) Stephen Deere, *St. Louis Post-Dispatch*, April 10, 2008. (noting that Valley Park, MO mayor was voted out of office after two years of pushing for and defending anti-immigrant ordinances, costing the town an estimated \$250,000 in legal fees. His challenger who won the race said that he would not support spending any more money to defend the measures in the courts.)

### ***Costs to the Economy: Businesses Suffering in Places with Anti-Immigrant Laws***

["Strict immigration law rattles Okla. businesses,"](#) Emily Bazar, *USA Today*, January 10, 2008 (surveying the economic impact of Oklahoma's state anti-immigrant law on businesses. In some Oklahoma cities, the law decimated the local workforce as immigrants, including some who were lawfully present, either fled or went into hiding. Stores catering to diverse immigrant communities saw their sales plummet.)

["Arizona Squeeze on Immigration Angers Business,"](#) Miriam Jordan, *The Wall Street Journal*, December 14, 2007 (highlighting the impact of Arizona's state employer sanctions law on the labor force, as immigrants, both lawfully present and undocumented, began leaving the state. Businesses were reported to be losing their workforce and customer base, moving operations outside the state, and holding off on expansion.)

["Towns Rethink Laws Against Illegal Immigrants,"](#) Ken Belson and Jill P. Capuzzo, *The New York Times*, September 26, 2007 (profiling Riverside, NJ, which, in 2006, became the first in New Jersey to enact an anti-immigrant ordinance modeled after the one passed in Hazleton, PA. The law imposed both employer sanctions and restrictions on rental housing. Just one year later, Riverside rescinded the measure. Its devastating impact on the local economy weighed heavily in the township committee's decision to repeal.)