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H.B. 540
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Bill Analysis

Version: As Introduced

Primary Sponsor: Rep. McNally

Paul Luzzi, Attorney

SUMMARY

- Requires an employer that intends to relocate a call center or qualifying facilities or operating units within a call center from Ohio to a foreign country to notify the Director of Job and Family Services (JFS Director) at least 120 days before relocating.
- Requires the JFS Director to compile, every six months, a list of employers that have relocated a call center or one or more qualifying facilities or operating units within a call center from Ohio to a foreign country during the preceding six months.
- Disqualifies, unless an exception applies, an employer that has relocated a call center or one or more qualifying facilities or operating units within a call center from receiving certain economic incentives until five years after the relocation.
- Requires a state agency to ensure that all call center and customer service work performed for the agency is performed entirely within Ohio.

DETAILED ANALYSIS

The bill enacts the Consumer Protection Call Center Act.¹ It requires the Director of Job and Family Services (JFS Director) to compile a list of employers that relocate a call center or qualifying facilities or units within a call center to a foreign country. Employers on the list are disqualified from receiving certain state economic incentives unless they are granted a waiver. The bill also requires state agencies to ensure that all call center and customer service work performed for the agency is performed in Ohio.

¹ Section 3.

Employers that relocate a call center to a foreign country

Notice of pending relocation

Under the bill, an employer that intends to relocate a call center or one or more facilities or operating units within a call center comprising at least 30% of the call center's total volume from Ohio to a foreign country must notify the JFS Director at least 120 days before relocating. If the employer fails to provide the notice in the required time period, the JFS Director must inform the Attorney General. The Attorney General must then file a lawsuit against that employer in the common pleas court of the county in which the employer's business is located. On finding that an employer failed to file the notice in the required time period, the court must assess a civil penalty of not more than \$10,000 against the employer for each day the employer failed to provide the notice. The court may reduce that penalty if the employer shows just cause for not providing notice of the relocation in the time required.²

List of employers that relocate a call center

Beginning six months after the bill's effective date, and every six months after that, the JFS Director must compile a list of every employer that has, during the preceding six months, relocated from Ohio to a foreign country a call center, facility, or operating unit described under "**Notice of pending relocation**" above. The JFS Director must include on the list the employer's name and relocation date. The JFS Director must submit the list to the Director of Development for distribution to every state agency.³

The bill defines an "employer" as a business that employs, for the purpose of customer service or back-office operations, 50 or more individuals, excluding individuals who work an average of fewer than 20 hours a week or fewer than six of the 12 months preceding the date a determination is made under the bill ("part-time employees").⁴

Disqualification from incentives

Except as described under "**Waiver**," below, the bill disqualifies an employer that appears on a list compiled by the JFS Director from receiving from a state agency any grant, guaranteed loan, tax benefit, or other economic incentive until five years after the date the employer relocated a call center or qualifying facilities or operating units within a call center. Additionally, the Director of Development must charge an employer that appears on that list the unamortized value of any grant, guaranteed loan, tax benefit, or other economic incentive the employer has received from a state agency on or after the bill's effective date. The employer must remit that amount to the Department of Development.⁵

² R.C. 4113.88.

³ R.C. 4113.89.

⁴ R.C. 4113.87(A) and (C).

⁵ R.C. 4113.90(A).

Waiver

Under the bill, the Department of Development, in consultation with the state agency providing a loan or grant to an employer, may waive the disqualification and payment described under “**Disqualification from incentives**,” above, if the employer applying for the loan or grant demonstrates that denying the loan or grant will cause any of the following:

- Substantial job loss in Ohio;
- Harm to the environment;
- A significant economic impact to Ohio.⁶

Call center work for a state agency

Under the bill, a state agency must ensure that all call center and customer service work performed for the agency is performed entirely within Ohio. A contractor who performs call center or customer service work for the state must hire an individual to perform that work at a location in Ohio. Beginning two years after the bill’s effective date, every individual employed by a contractor to perform call center or customer service work for the state must perform that work within Ohio. The bill’s requirements on contractors and state agencies apply to contracts entered into on and after the bill’s effective date.⁷

Under the bill, “state agency” means every organized body, office, or agency established by the laws of the state for the exercise of any function of state government. It does not include the General Assembly, any legislative agency, a court, or any judicial agency.⁸

Effect on employee benefits

The bill specifies that it does not permit withholding or denying payments, compensation, or benefits under the Workers’ Compensation Law, Unemployment Compensation Law, Workforce Development Law, or any other state law to employees of employers that relocate to a foreign country.⁹

⁶ R.C. 4113.90(B).

⁷ R.C. 4113.91 and Section 2.

⁸ R.C. 4113.87(B).

⁹ R.C. 4113.92.

HISTORY

Action	Date
Introduced	05-15-24
