

## Ohio Legislative Service Commission

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Office of Research and Drafting Legislative Budget Office



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Version: As Introduced

Primary Sponsors: Sens. Rulli and Williams

Local Impact Statement Procedure Required: No

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## Highlights

- The Ohio Department of Job and Family Services (ODJFS) and the Ohio Department of Development (ODOD) will experience administrative costs to compile and distribute a list of employers that relocate call center operations from Ohio to a foreign country.
- State agencies will experience administrative costs to check the list so they do not provide certain economic incentives to disqualified entities.
- State agencies will be required to ensure that all call center and customer service work performed for the agency is performed within Ohio.

## **Detailed Analysis**

The bill requires employers to inform the ODJFS Director at least 120 days in advance of moving call center jobs from Ohio to a foreign country under certain circumstances. The ODJFS Director must produce a list of these employers every six months and provide it to the ODOD Director for distribution to all state agencies; employers on the list are ineligible for most state incentives in most cases for five years. In addition, the ODOD Director must charge an employer that appears on the list the unamortized value of any grant, loan, or other economic incentive received from a state agency. However, the bill allows ODOD, in consultation with the appropriate state agency, to waive these disqualification or payment provisions if an employer demonstrates there would be specific impacts to Ohio, such as job losses. Compiling the list will pose an administrative cost to ODJFS. Similarly, ODOD will experience an administrative cost to ensure recipients of any economic incentives are not on the list. ODOD may also experience costs to collect any unamortized values from such entities or to consider waiver requests. Any of these

costs will primarily depend on how many entities are impacted and whether these entities receive any incentives.

If an employer fails to provide the required notice, the ODJFS Director must inform the Attorney General who is required to take civil action against the employer in a court of common pleas. The court may assess a civil penalty up to \$10,000 per day against the employer for each day proper notice was not provided. This provision may result in an increase in costs for local courts offset by a subsequent increase in court fees.

The bill also requires all state agencies' call center and customer service work be performed in Ohio. These requirements apply to contracts entered into on or after the bill's effective date. Additionally, beginning two years after the bill's effective date, employees of a state contractor doing call center or customer service work for an agency must perform the work in Ohio. This would limit the entities able to perform this work, which could, depending on the state agencies affected and the bids received, result in various impacts.

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