

OHIO LEGISLATIVE SERVICE COMMISSION

Nicholas J. Blaine

## **Fiscal Note & Local Impact Statement**

**Bill:** H.B. 245 of the 132nd G.A.

Status: As Introduced

Sponsor: Reps. Boccieri and Lepore-Hagan Local Impact Statement Procedure Required: No

Subject: List and disqualify employers who move call center jobs out of the U.S. from economic incentives

## **State & Local Fiscal Highlights**

- The Ohio Department of Job and Family Services (ODJFS) and the Ohio Development Services Agency (ODSA) 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 cross-check the list distributed by the ODSA Director to ensure grants, guaranteed loans, tax benefits, and other economic incentives are not distributed to employers on the aforementioned list.

## **Detailed Fiscal Analysis**

The bill requires employers to inform the Ohio Department of Job and Family Services (ODJFS) at least 120 days in advance of moving call center jobs (that make up at least 30% of the call center's total volume) from Ohio to a foreign country. The Director of ODJFS must then produce a list of these employers every six months and provide it to the Director of the Ohio Development Services Agency (ODSA) for distribution to all state agencies. Any employer on the list is ineligible to receive any state-offered grant, guaranteed loan, tax benefit, or other economic incentive until five years after the call center jobs are relocated, unless the employer obtains a waiver. Compiling the list will pose an administrative cost to ODJFS. Similarly, ODSA will experience an administrative cost to distribute the list to state agencies, which in turn may experience a minimal cost to ensure recipients of any economic incentives are not on the list.

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 that all state agencies' call center and customer service work be performed in Ohio. 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. According to State of Ohio Procurement, the Development Services Agency, Department of Education, Department of Health, Department of Medicaid, and Secretary of State all have contracts for call center services with the Cleveland Sight Center, located in Cleveland, Ohio. Currently, state agencies do not contract for call center and customer service work outside Ohio.

HB0245IN.docx/zg