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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 1241

02/14/2019 Authored by Mahoney, Franson, Koegel, Ecklund, Claflin and others
The bill was read for the first time and referred to the Committee on Commerce

1.1 A bill for an act
1.2 relating to employment; requiring notice of call center or customer service operation
1.3 relocations; providing for recapture of public subsidies; proposing coding for new
1.4 law in Minnesota Statutes, chapter 116L.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. [116L.9761] MINNESOTA CALL CENTER JOBS ACT.

1.7 Sections 116L.9762 to 116L.9766 shall be known as the "Minnesota Call Center Jobs
1.8 Act."

1.9 Sec. 2. [116L.9762] DEFINITIONS.

1.10 Subdivision 1. Application. For the purposes of sections 116L.9762 to 116L.9766, the
1.11 terms defined in this section have the meanings given them.

1.12 Subd. 2. Agency. "Agency" means a state department under section 15.01.

1.13 Subd. 3. Business entity. "Business entity" means any organization, corporation, trust,
1.14 partnership, sole proprietorship, unincorporated association, or venture established to make
1.15 a profit, in whole or in part, by purposefully availing itself of the privilege of conducting
1.16 commerce in Minnesota.

1.17 Subd. 4. Call center. "Call center" means a facility or other operation with employees
1.18 who receive incoming telephone calls, e-mail, or other electronic communications for the
1.19 purpose of providing customer assistance or other service.

1.20 Subd. 5. Commissioner. "Commissioner" means the commissioner of employment and
1.21 economic development.

2.1 Subd. 6. **Employer.** "Employer" means a business enterprise that employs, for the
 2.2 purpose of customer service or back-office operations:

2.3 (1) 50 or more employees, excluding part-time employees; or

2.4 (2) 50 or more employees who, in the aggregate, work at least 1,500 hours per week,
 2.5 exclusive of hours of overtime.

2.6 Subd. 7. **Part-time employee.** "Part-time employee" means an employee who is employed
 2.7 for an average of fewer than 20 hours per week or who has been employed for fewer than
 2.8 six of the 12 months preceding the date on which notice is required under section 116L.9763.

2.9 Subd. 8. **Relocating; relocation.** "Relocating" or "relocation" means the closure of a
 2.10 call center, the cessation of operations of a call center, or one or more facilities or operating
 2.11 units within a call center comprising at least 30 percent of the call center's or operating unit's
 2.12 total volume when measured against the previous 12-month average call volume of operations
 2.13 or substantially similar operations, to a location outside of the United States.

2.14 Sec. 3. **[116L.9763] CALL CENTER RELOCATIONS.**

2.15 (a) An employer must notify the commissioner if it intends to relocate from Minnesota
 2.16 to a foreign country either of the following:

2.17 (1) a call center; or

2.18 (2) one or more facilities or operating units within a call center that comprise at least 30
 2.19 percent of the call center's or operating unit's total volume when measured against the
 2.20 previous 12-month average call volume of operations or substantially similar operations.

2.21 (b) The notification required under paragraph (a) must be given at least 120 days before
 2.22 the relocation is to occur.

2.23 (c) An employer that violates paragraph (a) is subject to a civil penalty not to exceed
 2.24 \$10,000 for each day of the violation, except that the commissioner may reduce the amount
 2.25 for just cause shown.

2.26 (d) The commissioner shall compile a semiannual list of all employers that relocate a
 2.27 call center, or one or more facilities or operating units within a call center comprising at
 2.28 least 30 percent of the call center's total volume of operations, from the United States to a
 2.29 foreign country, and distribute the list to all agencies.

3.1 Sec. 4. **[116L.9764] GRANTS; LOANS; SUBSIDIES.**

3.2 (a) Except as provided in paragraph (b) and notwithstanding any other provision of law,
3.3 an employer that appears on the list prepared under section 116L.9763 shall be ineligible
3.4 for any direct or indirect state grants or state guaranteed loans for five years after the date
3.5 the employer is placed on the list.

3.6 (b) Except as provided in paragraph (c) and notwithstanding any other provision of law,
3.7 an employer that appears on the list prepared under section 116L.9763 shall remit to the
3.8 commissioner of management and budget the unamortized value of any grants, guaranteed
3.9 loans, tax benefits, or other governmental support it has previously received.

3.10 (c) The commissioner of management and budget, in consultation with the commissioner
3.11 of the agency providing or administering the public subsidy, may waive the ineligibility
3.12 requirement under paragraph (a) if the employer applying for the loan or grant demonstrates
3.13 that not having the loan or grant would threaten national security, result in substantial job
3.14 loss in Minnesota, or harm the environment.

3.15 Sec. 5. **[116L.9765] PROCUREMENT.**

3.16 The commissioner of each agency shall ensure that all state business related call center
3.17 and customer service work be performed by state contractors or their agents or subcontractors
3.18 entirely within Minnesota. State contractors who currently perform work outside Minnesota
3.19 shall have two years following the effective date of this act to comply with this section.
3.20 Any new call center or customer service employees hired by the contractor during the
3.21 compliance period under this section must be employed in Minnesota.

3.22 Sec. 6. **[116L.9766] EMPLOYEE BENEFITS.**

3.23 Nothing in sections 116L.9762 to 116L.9766 shall be construed to permit the withholding
3.24 or denial of payments, compensation, or benefits under any other state law, including state
3.25 unemployment compensation, disability payments, or worker retraining or readjustment
3.26 funds, to employees of employers that relocate to a foreign country.

3.27 Sec. 7. **EFFECTIVE DATE.**

3.28 Sections 1 to 6 are effective 180 days after final enactment.