Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bills 5164 and 5165 (Substitute H-1 as passed by the House)
Sponsor: Representative Amos O'Neal
House Committee: Labor
Senate Committee: Labor

Date Completed: 12-11-24

CONTENT

House Bill 5164 (H-1) would enact the "Call Center Jobs Retention Act" to do the following:

- **Require an employer to notify the Department of Labor and Economic Opportunity (LEO) at least 30 days before the employer relocated a call center, relocated a facility or operating unit comprising 30% or more of the call center's call volume, or closed a center or a facility and planned to open it in a foreign country.**
- **Prescribe a maximum civil fine of $10,000 for failing to notify LEO.**
- **Require LEO to compile a registry of the employers who were required to fulfill the requirement above and to publish the registry on its website.**

House Bill 5165 (H-1) would amend the Michigan Strategic Fund Act to require the Michigan Strategic Fund (MSF) to include in its written agreements provisions for an event of default and clawback of funds for a recipient of funds if the recipient reported a new listing on the registry proposed in House Bill 5164 (H-1) during the term of the agreement, beginning April 1, 2025.

House Bill 5165 is tie-barred to House Bill 5164. Each bill would take effect 90 days after its enactment. House Bill 5164 (H-1) is described further below.

House Bill 5164 (H-1)

Under the "Call Center Jobs Retention Act", an employer would have to notify LEO at least 30 days before the employer did either of the following:

- Relocated, from Michigan to a foreign country, a call center or a facility or operating unit within a call center comprising at least 30% of the call center's total call volume as measured against the call center's average call volume during the immediately preceding 12-month period.
- Closed or otherwise ceased the operations of a call center or of a facility or operating unit described above if the employer contracted with or intended to contract with a person to provide the same services that the call center, facility, or operating unit provided in a foreign country.

"Employer" would mean a person that employs, either full-time or part-time, 50 or more individuals at a call center. "Call center" would mean a centralized office used primarily for receiving or transmitting customer requests or inquiries by telephone.

"Person" would mean an individual or a sole proprietorship, partnership, association, corporation, or any other legal entity.

An employer that violated the notification requirements would be subject to a civil fine of up to $10,000. The prosecutor of the county in which the violation occurred or the Attorney General could bring an action to collect the fine. A fine collected would have to be deposited in the General Fund.

Beginning six months after the bill's effective date, and every six months thereafter, LEO would have to compile a registry of the employers required to provide notice as described above and publish the registry on its website. The registry would have to include all the following information:

-- The name of the employer.
-- The date of the relocation or closing, as applicable.
-- The number of jobs to be relocated or eliminated, as applicable.
-- The location of the relocated or new call center, facility, or operating unit, including the name of the city and the country.

Proposed MCL 125.2015 (H.B. 5165) Legislative Analyst: Alex Krabill

FISCAL IMPACT

The bills would have a fiscal impact on the State and no fiscal impact on local units of government. The will would add costs to the MSF, which would include additional staff and information technology costs. The added costs should be minimal as the employer would be required to notify the MSF, and the MSF would only responsible for updating the registry and meeting the posting requirements. Current appropriations should be sufficient to support additional administrative costs.

The bills could result in the claw back of funds for call centers that relocated out of the State and have an economic development agreement with the MSF that otherwise would not have occurred. The extent to which is unknowable.

Fiscal Analyst: Cory Savino, PhD