OLR Bill Analysis
sSB 990

AN ACT CONCERNING CALL CENTERS AND NOTICE OF CLOSURE.

SUMMARY

This bill establishes notice requirements for certain call centers that relocate out of state and makes them ineligible to receive state financial support for five years after the relocation. It applies to call centers that employ at least 50 (1) full time employees or (2) employees who work at least 1,500 hours in the aggregate (excluding overtime) per week, to staff a call center. Under the bill, “call centers” are facilities or operations through which employees receive phone calls or electronic communications to provide customer assistance or service.

The bill also establishes certain in-state requirements for state contractors who perform state-business-related call center and customer service work.

EFFECTIVE DATE: October 1, 2019

CALL CENTER RELOCATIONS

Notice

The bill requires call centers that intend to relocate to another state or country to notify the Department of Labor (DOL) commissioner at least 100 days before doing so. This includes relocations of call center facilities or operations that comprise at least 30% of a call center’s or operating unit’s total call volume, when compared to the previous 12-month average call volume of operations or substantially similar operations.

The bill subjects violators to a civil penalty of up to $10,000 per day for each violation, but allows the commissioner to reduce the penalty for just cause.
Loss of State Financial Support

The bill requires the labor commissioner to compile an annual list of each call center whose relocation was subject to the bill’s notice requirement. He must make the list publicly available and prominently display a link to it on the DOL website.

Under the bill, a call center on the list:

1. is ineligible for direct or indirect state grants, state guaranteed loans, state tax benefits, or other state financial support for five years after the list is published and

2. must remit the unamortized value of any state grant, guaranteed loan, state tax benefit, or other state financial support it received in the five-year period before it was placed on the list.

The bill allows the commissioner, in consultation with the appropriate agency, to waive the remittance requirement if the call center shows that the remittance would threaten state or national security, result in substantial job loss in the state, or harm the environment. (If the requirement is enforced against a call center that entered into a contract for state financial support before the bill’s effective date, the state may be subject to an action alleging a violation of the U.S. Constitution’s Contracts Clause (Article 1, Section 10), which generally prohibits states from passing laws that impair their contractual obligations).

The bill also specifies that it does not prevent an employer from receiving a grant to provide training or other employment assistance to people who particularly need such training or employment assistance due to the call center’s relocation.

STATE CONTRACTOR REQUIREMENTS

The bill requires the head of each state agency to ensure that for all new contracts or agreements entered into on or after October 1, 2019, all state-business-related call center and customer service work is performed by state contractors, or other agents or subcontractors, entirely within the state. If any of these entities perform work outside
the state and add customer service employees who will perform work under the new contracts or agreements, the bill requires the new employees to be immediately employed within the state. In addition, any businesses (presumably, those with contracts for state-business-related call center and customer service work), subject to a contract or agreement before October 1, 2019, with terms that extend beyond October 1, 2021, must meet these in-state requirements if their contract is renewed.

Lastly, the bill specifies that it does not:

1. allow withholding or denial of payments or other compensation or benefits provided by law (e.g., unemployment benefits, disability payments, or worker retraining or readjustment funds) to workers employed by employers that relocate out of state or

2. create a private cause of action against a call center that violates the bill’s provisions.

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 9  Nay 4  (03/21/2019)