Legislative Analysis

Phone: (517) 373-8080
http://www.house.mi.gov/hfa

Analysis available at
http://www.legislature.mi.gov

CALL CENTER JOBS RETENTION ACT

House Bills 5164 and 5165 as reported from committee
Sponsor: Rep. Amos O'Neal
Committee: Labor
Complete to 2-29-24

SUMMARY:

Together, House Bills 5164 and 5165 would require the Michigan Department of Labor and Economic Opportunity (LEO) to maintain a registry of call centers that have relocated internationally out of Michigan and would disqualify those businesses from eligibility for economic development incentives administered by the Michigan Strategic Fund (MSF). The bills would take effect 90 days after they are enacted.

House Bill 5164 would create the "Call Center Jobs Retention Act," which would require LEO to maintain a registry of ***call centers*** that have relocated out of the United States.

> ***Call center*** would mean a centralized office used primarily for receiving or transmitting requests or inquiries by phone.

A person that employs at least 50 full- or part-time individuals at a call center would have to provide LEO with at least 30 days' notice before relocating the call center, or a facility or operating unit within a call center that comprises at least 30% of its total call volume,[1] from Michigan to a foreign country. Violating employers would be responsible for a state civil infraction and could be fined up to $10,000.

Every six months, beginning six months after the bill takes effect, LEO would have to publish a registry of those employers on its website, which would have to include the following information:

- The name of the employer.
- The date of the relocation.
- The number of jobs to be relocated.
- The location (including the city and country) of the relocated call center, facility, or operating unit.

House Bill 5165 would add a new section to the Michigan Strategic Fund Act that would, beginning October 1, 2024, require the MSF to establish requirements to ensure that a business listed on the call center registry does not receive funding, grants, loans, or other economic assistance under the act.

The bill is tie-barred to House Bill 5164, meaning that it cannot take effect unless HB 5164 is also enacted.

Proposed MCL 125.2015

[1] The facility or unit's share of the call volume would be measured against the call center's average call volume during the immediately preceding twelve months.

BACKGROUND:

House Bills 5164 and 5165 are reintroductions of HBs 5835 and 5836 of the 2021-22 legislative session, HBs 5625 and 5626 of the 2019-20 session, and HBs 4988 and 4989 of the 2017-2018 session. The bills are also identical to Senate Bills 582 and 583 of the current session.

BRIEF DISCUSSION:

Supporters of the bills argue that Michigan should disincentivize companies from moving their call centers overseas, since keeping those jobs in the United States ensures that employees are afforded sufficient labor protections and that customers' personal information is protected. They suggest that the bills address this issue by prohibiting a business that takes its call center jobs out of Michigan and the United States from receiving incentives funded by Michigan taxpayers.

No arguments opposing the bills were presented during committee testimony, but concerns were raised about placing restrictions on the free market and about how the bills would pertain to international trade agreements.

FISCAL IMPACT:

The bills would increase costs to the Department of Labor and Economic Opportunity and the Michigan Strategic Fund and have no direct fiscal impact on local government. The amount of increase to LEO and the MSF would depend on the costs of the additional administrative responsibilities under the bills' provisions and are not likely to be significant.

POSITIONS:

Representatives of the Communications Workers of America testified in support of the bills. (11-2-23)

The following entities indicated support for the bills (2-29-24):

- Michigan AFL-CIO
- Utility Workers Union of America

The following entities indicated opposition to the bills:

- Michigan Chamber of Commerce (11-2-23)
- Michigan Manufacturers Association (2-29-24)

Legislative Analyst: Holly Kuhn
Fiscal Analyst: Viola Bay Wild