

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2651

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 12, 2012

The Assembly Labor Committee reports favorably and with committee amendments Assembly Bill No. 2651.

This bill, as amended, requires that any employer relocating a call center from the State of New Jersey to one or more foreign countries must provide notification to the Commissioner of Labor and Workforce Development and remit the unamortized value of any direct or indirect State grant, guaranteed loan, tax benefit, and any other financial support provided to the employer by the State.

The bill requires any employer that relocates a call center, or that transfers one or more facilities or operating units comprising at least 30 percent of a call center's total operating volume of telephone calls or emails or other electronic communications when measured against the previous 12 month average volume of those operations, from the State of New Jersey to one or more foreign countries to notify the commissioner at least 120 days prior to the relocation or transfer of operations.

The bill provides that any employer that violates the notification requirement will be subject to a civil penalty in an amount not to exceed \$10,000 for each day the employer fails to provide the notification.

For the purposes of the bill, "call center" is defined as a facility or other operation whereby workers receive incoming telephone calls, emails, or other electronic communication for the purpose of providing customer assistance or other service. The bill defines "employer" as any business entity that employs 50 or more full-time workers or 50 or more workers that in the aggregate work at least 1,500 hours per week, excluding overtime hours, for the purpose of staffing a call center.

The bill requires the commissioner to compile and maintain a list of all employers that provide the notification required by the bill. The list will be updated on a monthly basis and an employer will remain on the list for a period not to exceed three years after each instance of the required notification. The bill also requires that the commissioner make the list of employers available to the public and prominently display a link to the list on the Internet website of the Department of Labor and Workforce Development.

The bill also provides that an employer that is added to the list compiled and maintained by the commissioner will be ineligible to receive any direct or indirect State grant, guaranteed loan, tax benefit, and any other financial support provided by the State for the three years following the date upon which the employer is added to the list. Any employer that is added to this list is also required to remit to the commissioner the unamortized value of any direct or indirect State grant, guaranteed loan, tax benefit, and any other financial support provided to the employer by the State.

The commissioner, in consultation with the appropriate governmental entity providing any direct or indirect State grant, guaranteed loan, tax benefit, or any other financial support to an employer, may waive the remittance requirement if it is demonstrated, to the satisfaction of the commissioner, that the requirement would result in a substantial loss of jobs in this State or harm the environment.

Finally, the bill provides that a State department or agency, in making or awarding a contract for call center services, will grant a preference for such contract to qualified businesses located in the State and employing residents of the State, up to the limits set forth under rules and regulations promulgated by the commissioner.

COMMITTEE AMENDMENTS

The committee amended the bill to provide:

1. That an employer providing notification pursuant to the bill will be ineligible to receive any direct or indirect State grant, guaranteed loan, tax benefit, or any other financial support provided by the State for the three years following the date the employer is added to the list, rather than five years; and
2. That the provisions of the bill will apply only to a relocation of a call center or a transfer of one or more facilities or operating units of a call center occurring after the effective date, rather than the date of enactment.