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HOUSE BILL 1960

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State of Washington

66th Legislature

2019 Regular Session

By Representatives Stanford and Hudgins

1 AN ACT Relating to call center retention; amending RCW 82.32.805;  
2 adding a new section to chapter 39.26 RCW; adding a new chapter to  
3 Title 50 RCW; and prescribing penalties.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The definitions in this section apply  
6 throughout this chapter unless the context clearly requires  
7 otherwise.

8 (1) "Call center" means a facility or other operation whereby  
9 employees receive phone calls or other electronic communication for  
10 the purpose of providing customer assistance or other service.

11 (2) "Employer" means any employer as defined in RCW 50.04.080  
12 that employs, for purposes of a call center: (a) Fifty or more  
13 employees, excluding part-time employees; or (b) fifty or more  
14 employees who in the aggregate work at least fifteen hundred hours  
15 per week, excluding overtime.

16 (3) "Part-time employee" means an individual in employment for an  
17 employer who works for an average of fewer than twenty hours per week  
18 or who has been employed for fewer than six of the twelve months  
19 preceding the date on which notice is required under section 2 of  
20 this act.

1 (4) "State agency" means any state department, office, division,  
2 board, commission, or higher education institution.

3 NEW SECTION. **Sec. 2.** (1) An employer that intends to relocate a  
4 call center, or one or more facilities or operating units within a  
5 call center comprising at least thirty percent of the call center's  
6 or operating unit's total volume when measured against the previous  
7 twelve month average call volume of operations or substantially  
8 similar operations from the state to a foreign country must notify  
9 the commissioner at least one hundred twenty days before such  
10 relocation.

11 (2) An employer that violates subsection (1) of this section is  
12 subject to a civil penalty not to exceed ten thousand dollars for  
13 each day of such violation, except that the commissioner may reduce  
14 such amount if the governor or the president has declared a state of  
15 emergency for the location of the call center.

16 (3) The commissioner must compile a semiannual list of all  
17 employers that have notified the commissioner under subsection (1) of  
18 this section and post the list on the employment security  
19 department's web site. The commissioner must also distribute the list  
20 to all state agencies.

21 NEW SECTION. **Sec. 3.** (1) A call center employer that appears on  
22 the list specified in section 2 of this act is ineligible for any tax  
23 preference as defined in RCW 43.136.021 for five years after the  
24 employer appears on the list.

25 (2) If the department of revenue finds that a call center  
26 employer is ineligible for a tax preference for which a tax  
27 preference was claimed after the effective date of this section, the  
28 amount of taxes for which a preference was claimed is immediately  
29 due. The department of revenue must assess interest, but not  
30 penalties, on the taxes for which the employer was not eligible. The  
31 interest must be assessed at the rate provided for delinquent excise  
32 taxes under chapter 82.32 RCW, is retroactive to the date the tax  
33 preference was taken, and accrues until the amount due is paid.

34 NEW SECTION. **Sec. 4.** (1) A call center employer that appears on  
35 the list specified in section 2 of this act is ineligible for any  
36 direct or indirect grants or loans awarded by a state agency for five  
37 years after the employer appears on the list. The employment security

1 department, in consultation with the appropriate state agency, may  
2 waive the ineligibility if the employer applying for a grant or loan  
3 demonstrates that the lack of the grant or loan would result in  
4 substantial job loss in the state or would harm the environment.

5 (2) If a state agency finds that a call center employer was  
6 ineligible under this section for a grant or loan that was awarded  
7 after the effective date of this section, the employer must  
8 immediately remit the value of the grant or loan.

9 NEW SECTION. **Sec. 5.** State agency contracts for purchases of  
10 call center services must provide that the work performed by the  
11 contractor or its agents or subcontractors be performed entirely  
12 within the state. Contractors or their agents or subcontractors who  
13 are performing such work on the effective date of this section must  
14 comply with this section within two years of the effective date of  
15 this section, except that any call center employees hired after the  
16 effective date of this section must perform the work within the  
17 state.

18 NEW SECTION. **Sec. 6.** This chapter does not permit withholding  
19 or denial of any payments or benefits under any other law to workers  
20 employed by employers that relocate to a foreign country.

21 **Sec. 7.** RCW 82.32.805 and 2013 2nd sp.s. c 13 s 1701 are each  
22 amended to read as follows:

23 (1) (a) (i) Except as otherwise provided in this section, every new  
24 tax preference expires on the first day of the calendar year that is  
25 subsequent to the calendar year that is ten years from the effective  
26 date of the tax preference. With respect to any new property tax  
27 exemption, the exemption does not apply to taxes levied for  
28 collection beginning in the calendar year that is subsequent to the  
29 calendar year that is ten years from the effective date of the tax  
30 preference.

31 ~~((b))~~ (ii) A future amendment that expands a tax preference  
32 does not extend the tax preference beyond the period provided in this  
33 subsection unless an extension is expressly and unambiguously stated  
34 in the amendment.

35 ~~((2))~~ (b) Subsection (1) (a) of this section does not apply if  
36 legislation creating a new tax preference includes an expiration date  
37 for the new tax preference.

1       ~~((3))~~ (c) Subsection (1)(a) of this section does not apply to  
2 any existing tax preference that is amended to clarify an ambiguity  
3 or correct a technical inconsistency. Future enacted legislation  
4 intended to make such clarifications or corrections must explicitly  
5 indicate this intent.

6       ~~((4))~~ (d) For the purposes of this section, the following  
7 definitions apply:

8       ~~((a))~~ (i) "New tax preference" means a tax preference that  
9 initially takes effect after August 1, 2013, or a tax preference in  
10 effect as of August 1, 2013, that is expanded or extended after  
11 August 1, 2013, even if the expanding or extending amendment includes  
12 any other change to the tax preference.

13       ~~((b))~~ (ii) "Tax preference" has the same meaning as in RCW  
14 43.136.021 with respect to any state tax administered by the  
15 department, except does not include the Washington estate and  
16 transfer tax in chapter 83.100 RCW.

17       ~~((5))~~ (e) The department must provide written notice to the  
18 office of the code reviser of a ten-year expiration date required  
19 under this section for a new tax preference.

20       (2) Call center employers are ineligible for any tax preference  
21 and must pay taxes and interest for preferences claimed for which the  
22 call center employer was not eligible, as provided in section 3 of  
23 this act.

24       NEW SECTION. Sec. 8. This chapter may be known and cited as the  
25 Washington call center jobs act.

26       NEW SECTION. Sec. 9. A new section is added to chapter 39.26  
27 RCW to read as follows:

28       Agency contracts for purchases of call center services must  
29 provide that the work be performed in the state as provided in  
30 section 5 of this act.

31       NEW SECTION. Sec. 10. Sections 1 through 6 and 8 of this act  
32 constitute a new chapter in Title 50 RCW.

33       NEW SECTION. Sec. 11. If any provision of this act or its  
34 application to any person or circumstance is held invalid, the

1 remainder of the act or the application of the provision to other  
2 persons or circumstances is not affected.

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