



## 2021 South Dakota Legislature

# House Bill 1244

Introduced by: **Representative** Jamie Smith

1 **An Act to provide certain restrictions on call centers that relocate to a foreign**  
 2 **country.**

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 **Section 1.** That a NEW SECTION be added:

5 **37-38-1. Definitions.**

6 Terms used in this chapter mean:

7 (1) "Call center," any business that employs, for the purpose of customer service or  
 8 back office operations:

9 (a) Fifty or more employees, excluding part-time employees; or

10 (b) Fifty or more employees who work, in total, at least one thousand five  
 11 hundred hours per week, not including overtime hours;

12 (2) "Agency," a state executive agency;

13 (3) "Part-time employee," an employee who is employed for an average of fewer than  
 14 twenty hours per week, or who has been employed for fewer than six of the twelve  
 15 months preceding the date on which notice is required;

16 (4) "Secretary," secretary of labor.

17 **Section 2.** That a NEW SECTION be added:

18 **37-38-2. Relocation notice requirement.**

19 A business that intends to relocate a call center, or one or more facilities or  
 20 operating units within a call center comprising at least thirty percent of the call center's  
 21 total volume, when measured against the previous twelve-month average call volume of  
 22 operations or substantially similar operations, from this state to a foreign country shall  
 23 notify the secretary at least one hundred twenty days before such relocation.

24 **Section 3.** That a NEW SECTION be added:

1           **37-38-3. Civil penalty.**

2           The secretary may impose a civil penalty against a business that violates § 37-38-  
3           2 not to exceed ten thousand dollars for each day the business failed to provide notice  
4           within the one hundred twenty day timeframe. Any civil penalty collected pursuant to this  
5           section shall be deposited into the state general fund.

6           **Section 4.** That a NEW SECTION be added:

7           **37-38-4. List--Relocated businesses.**

8           The secretary shall compile a semiannual list of all businesses that relocate a call  
9           center, or one or more facilities or operating units within a call center comprising at least  
10          thirty percent of the call center's total volume of operations, from this state to a foreign  
11          country.

12          **Section 5.** That a NEW SECTION be added:

13          **37-38-5. Relocated business--Prohibited from state support.**

14          Except as provided in § 37-38-7 and notwithstanding any other provision of law, a  
15          business that appears on the list described § 37-38-4 shall be ineligible for any direct or  
16          indirect state grant or state-guaranteed loan for five years after the date such list is  
17          published.

18          **Section 6.** That a NEW SECTION be added:

19          **37-38-6. Relocated business--Remittance.**

20          Except as provided in § 37-38-7 and notwithstanding any other provision of law, a  
21          business that appears on the list described in § 37-38-4 shall remit the unamortized value  
22          of any grant, guaranteed loan, tax benefit, or any other governmental support it has  
23          previously received to the secretary.

24          **Section 7.** That a NEW SECTION be added:

25          **37-38-7. Relocated business--Exemptions.**

26          The secretary, in consultation with the appropriate agency providing a loan or  
27          grant, may waive the eligibility restriction provided under § 37-38-5 or the remittance  
28          provision provided under § 37-38-6 if the business demonstrates that a lack of state  
29          support would:

30          (1) Threaten national security;

1        (2) Result in substantial job loss in the state; or

2        (3) Harm the environment.

3        **Section 8.** That a NEW SECTION be added:

4                **37-38-8. State business--In-state call centers.**

5                Notwithstanding the provisions of chapters 5-18A to 5-18D, inclusive, the head of  
6                each agency shall ensure that all state-business-related call center and customer service  
7                work be performed by state contractors or their agents or subcontractors entirely within  
8                the state. Any state contractor who currently performs such work outside of the state shall  
9                have two years following the enactment of this Act to comply with this section, provided  
10               that if any such contractors add customer service employees who will perform work on  
11               such contracts, those new employees shall immediately be employed within the state.

12        **Section 9.** That a NEW SECTION be added:

13                **37-38-9. Withholding of payments not permitted.**

14                Nothing in this Act permits the withholding or denial of payments, compensation,  
15                or benefits under any other state law to workers employed by a business that relocates to  
16                a foreign country.

17        **Section 10.** This Act is effective on October 1, 2021.