

1 The Legislature finds that:

2 (1) State agencies and subdivisions procure services in part
3 through contracts with private vendors;

4 (2) Increasingly, private vendors carry out these services, or
5 subcontract or otherwise procure these services, from a location
6 outside of the United States;

7 (3) This international outsourcing exacerbates unemployment
8 and workforce dislocation and deprives West Virginia residents of
9 job opportunities, including industries and jobs this state has
10 expended development assistance resources to attract;

11 (4) International outsourcing erodes state and local revenues
12 by drawing jobs and income away from the state; and

13 (5) International outsourcing additionally may provide less
14 privacy protections for state residents whose personal information
15 may, in the course of service delivery, be transmitted to locations
16 outside the United States.

17 **§5A-3C-2. Definitions.**

18 (a) "Developmental assistance" means any form of public
19 assistance, including tax expenditures, made for the purpose of
20 stimulating economic development of a corporation, industry,
21 geographic jurisdiction or any other sector of the state's economy,
22 including but not limited to, industrial development bonds,
23 training grants, loans, loan guarantees, enterprise zones,
24 empowerment zones, tax increment financing, fee waivers, land price

1 subsidies, infrastructure whose principal beneficiary is a single
2 business or defined group of businesses at the time it is built or
3 improved, matching funds, tax abatements, tax credits and tax
4 discounts of every kind, including corporate franchise, personal
5 income, sales and compensating use, raw materials, real property,
6 job creation, individual investment, excise, utility, inventory,
7 accelerated depreciation and research and development tax credits
8 and discounts.

9 **§5A-3C-3. State and local contracts; state-funded development**
10 **assistance.**

11 The following provisions apply to all state contracts and
12 local contracts funded with state dollars, except where it would be
13 inconsistent with current state law and state-funded development
14 assistance:

15 (1) The state agency may not award a contract or development
16 assistance to a vendor, bidder, contractor, subcontractor or
17 applicant for development assistant that performs the work at a
18 site outside of the United States. Nothing in this bill may be
19 construed to supersede or replace existing requirements in place
20 for development assistance programs;

21 (2) Each vendor submitting a bid or contract to provide
22 services and all development assistance applicants shall certify
23 that the services covered by the bid, contract or development
24 assistance will be performed in the United States; and

1 (3) If, during the life of the contract, the vendor,
2 contractor, subcontractor or development assistance recipient
3 shifts overseas work that is funded under the contract, the state
4 agency shall terminate the contract for noncompliance. In
5 addition, the vendor, contractor, subcontractor or development
6 assistance recipient shall forfeit penalties to the state agency or
7 local government in an amount equal to the amount paid by the state
8 outside the United States.

9 **§5A-3C-4. Penalties; enforcement.**

10 (a) Any contractor, vendor, bidder or development assistance
11 recipient that violates the provisions of section three of this
12 article may not receive any state contracts or development
13 assistance for a period of five years from the date of
14 determination thereof.

15 (b) The state agency may bring a civil action in state or
16 federal court to compel enforcement under this statute. The court
17 shall award reasonable attorney's fees and costs to the state
18 agency.

NOTE: The purpose of this bill is to ensure that state tax dollars are used to create state jobs and to stabilize the state tax base by prohibiting the state from contracting with or providing economic development assistance to companies that ship service work outside the United States.

This article is new; therefore, strike-throughs and

underscoring have been omitted.