

SENATE BILL No. 978

January 24, 2006, Introduced by Senators GOSCHKA, GARCIA, TOY, GILBERT, McMANUS, KUIPERS, BISHOP, JOHNSON, ALLEN, JELINEK, BIRKHOLZ, PATTERSON and BARCIA and referred to the Committee on Commerce and Labor.

A bill to amend 1968 PA 15, entitled
"Correctional industries act,"
by amending section 6 (MCL 800.326), as amended by 1996 PA 537, and
by adding section 11a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) Correctional industries products may be sold,
2 exchanged, or purchased by ~~institutions~~ **ANY OF THE FOLLOWING:**

3 **(A) AN INSTITUTION** of this or any other state or political
4 subdivision of this or any other state, the federal government or
5 agencies of the federal government, a foreign government or
6 agencies of a foreign government, **OR** a private vendor that operates
7 the youth correctional facility. ~~—, or any~~

8 **(B) ANY** organization that is a tax exempt organization under
9 section 501(c)(3) of the internal revenue code, **BUT ONLY IF THE**

1 SAME OR SIMILAR PRODUCT IS NOT AVAILABLE FOR PURCHASE BY THE
2 ORGANIZATION FROM A PRIVATE BUSINESS.

3 (2) An agricultural product that is produced on a correctional
4 farm may be utilized within the correctional institutions or within
5 a youth correctional facility notwithstanding its operation by a
6 private vendor or sold to an institution, governmental agency, or
7 organization described in subsection (1) or sold for utilization in
8 the food production facilities of the department of corrections
9 notwithstanding the operation of those facilities by a private
10 vendor. An agricultural product that is not utilized or sold as
11 provided in this subsection shall be made available without charge
12 to nonprofit charitable organizations or to the family independence
13 agency for use in food banks, bulk food distributions, or similar
14 charitable food distribution programs. This subsection does not
15 apply to an agricultural product that is not in a form suitable for
16 use in the manner prescribed in this section, such as bulk grain,
17 live cattle, and hogs, which may be sold on the open market.

18 (3) Except as provided in subsections (4) and (5), the labor
19 of inmates shall not be sold, hired, leased, loaned, contracted
20 for, or otherwise used for private or corporate profit or for any
21 purpose other than the construction, maintenance, or operation of
22 public works, ways, or property as directed by the governor. This
23 act does not prohibit the sale at retail of articles made by
24 inmates for the personal benefit of themselves or their dependents
25 or the payment to inmates for personal services rendered in the
26 correctional institutions, subject to regulations approved by the
27 department of corrections, or the use of inmate labor upon

1 agricultural land that has been rented or leased by the department
2 of corrections upon a sharecropping or other basis.

3 (4) If more than 80% of a particular product sold in the
4 United States is manufactured outside the United States and none of
5 that product is manufactured in this state, or if a particular
6 service is not performed in this state, as determined by the
7 department of corrections in conjunction with the advisory council
8 for correctional industries, inmate labor may be used in the
9 manufacture of that product or the rendering of that service in a
10 private manufacturing or service enterprise established under
11 section 7a. A determination by the department of corrections under
12 this subsection shall be made at the time the individual or
13 business entity applies to the department for approval to produce
14 that product or render that service pursuant to section 7a.

15 (5) Inmate labor may be used in the youth correctional
16 facility notwithstanding the operation of that facility by a
17 private vendor.

18 **SEC. 11A. THE MICHIGAN STATE INDUSTRIES ADVISORY BOARD CREATED**
19 **BY EXECUTIVE REORGANIZATION ORDER NO. 1993-8, MCL 800.341, SHALL**
20 **SUBMIT A WRITTEN REPORT TO THE LEGISLATURE NOT LATER THAN JANUARY 1**
21 **OF EACH YEAR, BEGINNING JANUARY 1, 2007. THE REPORT SHALL SUMMARIZE**
22 **THE ACTIVITIES OF CORRECTIONAL INDUSTRIES FOR THE PRECEDING STATE**
23 **FISCAL YEAR AND SHALL INCLUDE RECOMMENDATIONS ON WAYS TO BETTER**
24 **INTEGRATE CORRECTIONAL INDUSTRIES INTO THE BUSINESS COMMUNITY AND**
25 **FOSTER ITS GROWTH WHILE ENSURING THAT COMPETITION WITH THE PRIVATE**
26 **SECTOR IS MINIMIZED. COPIES OF THE REPORT SHALL BE DELIVERED TO THE**
27 **CHAIRPERSONS OF THE STANDING COMMITTEES OF THE HOUSE AND SENATE**

- 1 RESPONSIBLE FOR LEGISLATION CONCERNING CORRECTIONS AND TO THE
- 2 CHAIRPERSONS OF THE HOUSE AND SENATE APPROPRIATIONS COMMITTEES.