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BILL ANALYSIS

Senate Fiscal Agency

• Lansing, Michigan 48909

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Senate Bill 735

Sponsor: Senator Robert Geake

Committee: Criminal Justice, Urban Affairs, and Economic Development

Date Completed: 3-22-88

SUMMARY OF SENATE BILL 735 as introduced 3-3-88:

The bill would create the "Alternative Jails Act" to allow privately operated jails to be established in any city, village, or township in Michigan. The bill would allow a city or county to commit to a privately operated jail any person who could be lawfully incarcerated in a jail operated by the city or county. Such a commitment would have to be made pursuant to a contract between the privately operated jail and the local unit of government from which the prisoner was committed. A privately operated jail could not house an inmate committed from a jurisdiction outside of Michigan.

Under the bill, a privately operated jail would have to comply with the rules and minimum standards established for jails by the Department of Corrections pursuant to the Department of Corrections Act (MCL 791.262). A contract between a local unit of government and a privately operated jail facility also would have to comply with all of the following requirements:

- A performance bond would have to be provided by the operator.
- The operator would have to assume all liability for damages or injury caused by or arising from any aspect of the jail's operation.
- The operator would have to provide liability insurance covering the operator, its officers, jailers, employees, and agents in an amount sufficient to cover all liability for damages or injury caused by or arising from the jail's operation.

Legislative Analyst: P. Affholter

FISCAL IMPACT

The bill (together with Senate Bills 668-683) would have no impact on State GF/GP expenditures and an indeterminate impact on local government during FY 1987-88. Contracting with a private entity to operate a jail could result in reduced operating expenditures for the local unit of government as a result of potential operating efficiencies. Further analysis will be

required on a case-by-case basis in order to assess the potential fiscal impact of the bills for local governments.

Fiscal Analyst: B. Burghardt

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