**HOUSE SUBSTITUTE FOR**

**SENATE BILL NO. 632**

A bill to amend 1968 PA 15, entitled

"Correctional industries act,"

by amending section 6 (MCL 800.326), as amended by 1996 PA 537.

**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~~ **A CORRECTIONAL FACILITY IN**

8   **THIS STATE.**

9     **(B) ANY** organization that is a tax exempt organization under

10   section 501(c)(3) of the internal revenue code.

**1**     **(C) ANY PRIVATE BUSINESS OR INDIVIDUAL, IF THE PRODUCTS ARE**

**2**   **CUT AND SEWN TEXTILES, BUT ONLY IF THE SAME OR A COMPARABLE IN**

**3**   **STYLE PRODUCT IS NOT MANUFACTURED BY A PRIVATE BUSINESS IN THIS**

**4**   **STATE**.

**5**     (2) An agricultural product that is produced on a correctional

**6**   farm may be utilized within the correctional institutions or within

**7**   a ~~youth~~ correctional facility **IN THIS STATE** notwithstanding its

**8**   operation by a private vendor or sold to an institution,

**9**   governmental agency, or organization described in subsection (1) or

**10**   sold for utilization in the food production facilities of the

**11**   department of corrections notwithstanding the operation of those

**12**   facilities by a private vendor. An agricultural product that is not

**13**   utilized or sold as provided in this subsection shall be made

**14**   available without charge to nonprofit charitable organizations or

**15**   to the family independence agency for use in food banks, bulk food

**16**   distributions, or similar charitable food distribution programs.

**17**   This subsection does not apply to an agricultural product that is

**18**   not in a form suitable for use in the manner prescribed in this

**19**   section, such as bulk grain, live cattle, and hogs, which may be

**20**   sold on the open market.

**21**     (3) Except as provided in subsections (4) and (5), the labor

**22**   of inmates shall not be sold, hired, leased, loaned, contracted

**23**   for, or otherwise used for private or corporate profit or for any

**24**   purpose other than the construction, maintenance, or operation of

**25**   public works, ways, or property as directed by the governor. This

**26**   act does not prohibit the sale at retail of articles made by

**27**   inmates for the personal benefit of themselves or their dependents

**1** or the payment to inmates for personal services rendered in the

**2** correctional institutions, subject to regulations approved by the

**3** department of corrections, or the use of inmate labor upon

**4** agricultural land that has been rented or leased by the department

**5** of corrections upon a sharecropping or other basis.

**6**     (4) If more than 80% of a particular product sold in the

**7** United States is manufactured outside the United States and none of

**8** that product is manufactured in this state, or if a particular

**9** service is not performed in this state, as determined by the

**10** department of corrections in conjunction with the advisory council

**11** for correctional industries, inmate labor may be used in the

**12** manufacture of that product or the rendering of that service in a

**13** private manufacturing or service enterprise established under

**14** section 7a. A determination by the department of corrections under

**15** this subsection shall be made at the time the individual or

**16** business entity applies to the department for approval to produce

**17** that product or render that service pursuant to section 7a.

**18** ~~(5) Inmate labor may be used in the youth correctional~~

**19** ~~facility notwithstanding the operation of that facility by a~~

**20** ~~private vendor.~~

**21**     Enacting section 1. This amendatory act does not take effect

**22** unless all of the following bills of the 94th Legislature are

**23** enacted into law:

**24**     (a) House Bill No. 5194.

**25**     (b) House Bill No. 5198.