

HOUSE BILL No. 5658

May 22, 2012, Introduced by Rep. Haveman and referred to the Committee on Judiciary.

A bill to amend 1968 PA 15, entitled
"Correctional industries act,"
by amending sections 2 and 6 (MCL 800.322 and 800.326), section 2
as amended by 1996 PA 537 and section 6 as amended by 2010 PA 308.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

2 (a) "Correctional industries products" means all services
3 provided, goods, wares, and merchandise manufactured or produced,
4 wholly or in part, by inmates in any state correctional
5 institution, but does not include ~~products~~ **EITHER OF THE FOLLOWING:**

6 (i) **PRODUCTS** manufactured with inmate labor or services
7 rendered with inmate labor in a private manufacturing or service
8 enterprise established under section 7a.

9 (ii) **GOODS OR SERVICES PROVIDED BY INMATE LABOR ASSIGNED TO A**
10 **PRIVATE CONTRACTOR TO BE USED SOLELY WITHIN A CORRECTIONAL**

1 INSTITUTION, JAIL, OR REENTRY FACILITY.

2 ~~—— (b) "Youth correctional facility" means a facility established~~
3 ~~under section 20g of Act No. 232 of the Public Acts of 1953, being~~
4 ~~section 791.220g of the Michigan Compiled Laws.~~

5 (B) "CORRECTIONAL INSTITUTION" MEANS A STATE PRISON, PRISON
6 FACILITY, OR OTHER PRISON INSTITUTION, CORRECTIONAL CAMP, COMMUNITY
7 CORRECTIONS CENTER, CORRECTIONAL FARM, STATE REFORMATORY, OR
8 PROBATION RECOVERY CAMP, OWNED, OPERATED, LEASED, SUPERVISED, OR
9 CONTRACTED FOR BY THIS STATE.

10 Sec. 6. (1) Correctional industries products may be sold,
11 exchanged, or purchased by any of the following:

12 (a) An institution of this or any other state or political
13 subdivision of this or any other state, the federal government or
14 agencies of the federal government, a foreign government or
15 agencies of a foreign government, or, except as provided in
16 subsection ~~(5),~~ (7), a private vendor that operates a correctional
17 facility in this state.

18 (b) Except as provided in subsection ~~(5),~~ (7), any
19 organization that is a tax exempt organization under section
20 501(c)(3) of the internal revenue code, or any organization or
21 individual that acts as a fiduciary for a tax exempt organization
22 under section 501(c)(3) of the internal revenue code and certifies
23 that the product sold or exchanged under this act is intended for
24 use by a tax exempt organization under section 501(c)(3) of the
25 internal revenue code.

26 (c) Except as provided in subsection ~~(5),~~ (7), any private
27 business or individual, if the products are cut and sewn textiles,

1 but only if the same or a comparable in style product is not
2 manufactured by a private business in this state. However, this
3 subdivision no longer applies beginning on the later of the
4 following dates:

5 (i) The date cut and sewn textiles are being manufactured under
6 the prisoner industry enhancement certification program under
7 section 4(h) and sold, exchanged, or purchased under subdivision
8 (d).

9 (ii) June 1, 2015.

10 (d) Except as provided in subsection ~~(5)~~, ~~(7)~~, any private
11 individual, corporation, partnership, or association in this state
12 and in interstate commerce if the products are manufactured under
13 section 4(h).

14 **(2) EXCEPT AS PROVIDED IN SUBSECTIONS (3), (4), (5), AND (6),**
15 **THE LABOR OF INMATES SHALL NOT BE SOLD, HIRED, LEASED, LOANED,**
16 **CONTRACTED FOR, OR OTHERWISE USED FOR PRIVATE OR CORPORATE PROFIT**
17 **OR FOR ANY PURPOSE OTHER THAN THE CONSTRUCTION, MAINTENANCE, OR**
18 **OPERATION OF PUBLIC WORKS, WAYS, OR PROPERTY AS DIRECTED BY THE**
19 **GOVERNOR.**

20 **(3) ~~(2)~~—**An agricultural product that is produced on a
21 correctional farm may be utilized within the correctional
22 institutions or within a correctional facility in this state
23 notwithstanding its operation by a private vendor or sold to an
24 institution, governmental agency, or organization described in
25 subsection (1) or sold for utilization in the food production
26 facilities of the department of corrections notwithstanding the
27 operation of those facilities by a private vendor. An agricultural

1 product that is not utilized or sold as provided in this subsection
2 shall be made available without charge to nonprofit charitable
3 organizations or to the family independence agency for use in food
4 banks, bulk food distributions, or similar charitable food
5 distribution programs. This subsection does not apply to an
6 agricultural product that is not in a form suitable for use in the
7 manner prescribed in this section, such as bulk grain, live cattle,
8 and hogs, which may be sold on the open market.

9 (4) ~~(3) Except as provided in subsection (4), the labor of~~
10 ~~inmates shall not be sold, hired, leased, loaned, contracted for,~~
11 ~~or otherwise used for private or corporate profit or for any~~
12 ~~purpose other than the construction, maintenance, or operation of~~
13 ~~public works, ways, or property as directed by the governor. This~~
14 act does not prohibit the sale at retail of articles made by
15 inmates for the personal benefit of themselves or their dependents
16 or the payment to inmates for personal services rendered in the
17 correctional institutions, subject to regulations approved by the
18 department of corrections, or the use of inmate labor upon
19 agricultural land that has been rented or leased by the department
20 of corrections upon a sharecropping or other basis.

21 (5) THIS ACT DOES NOT PROHIBIT THE ASSIGNMENT OF PRISON LABOR
22 TO A PRIVATE CONTRACTOR FOR THE PRODUCTION OF GOODS OR SERVICES TO
23 BE USED SOLELY WITHIN A CORRECTIONAL INSTITUTION, JAIL, OR REENTRY
24 FACILITY THAT HOUSES A PRISONER POPULATION UNDER THE JURISDICTION
25 OF THE DEPARTMENT. INMATES ASSIGNED BY THE DEPARTMENT FOR THE
26 PRODUCTION OF GOODS OR SERVICES THAT ARE SOLELY USED WITHIN A
27 CORRECTIONAL FACILITY OR INSTITUTION THAT HOUSES A PRISONER

1 POPULATION UNDER THE JURISDICTION OF THE DEPARTMENT ARE NOT SUBJECT
2 TO THE PREVAILING OR MINIMUM WAGE.

3 (6) ~~(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 (7) ~~(5)~~—An individual who is a member of the state senate or
16 house of representatives shall not be permitted to participate,
17 directly or indirectly, either personally or through an affiliate,
18 in any program involving the sale, exchange, purchase, or
19 manufacture of correctional industries products until 2 years after
20 the date on which the individual's term of service in the senate or
21 house of representatives ends.