

CORRECTIONAL INDUSTRIES ACT (EXCERPT)
Act 15 of 1968

800.326 Sale, exchange, or purchase of correctional industries products; use of agricultural product produced on correctional farm; use of inmate labor; assignment of prison labor to private contractor; determination by department; participation by member of legislature; limitation.

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

(a) An institution of this or any other state or political subdivision of this or any other state, the federal government or agencies of the federal government, a foreign government or agencies of a foreign government, or, except as provided in subsection (6), a private vendor that operates a correctional facility in this state.

(b) Except as provided in subsection (6), any organization that is a tax exempt organization under section 501(c)(3) of the internal revenue code, 26 USC 501, or any organization or individual that acts as a fiduciary for a tax exempt organization under section 501(c)(3) of the internal revenue code, 26 USC 501, and certifies that the product sold or exchanged under this act is intended for use by a tax exempt organization under section 501(c)(3) of the internal revenue code, 26 USC 501.

(c) Except as provided in subsection (6), any private business or individual, if the products are cut and sewn textiles, but only if the same or a comparable in style product is not manufactured by a private business in this state. However, this subdivision does not apply beginning on the later of the following dates:

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

(ii) June 1, 2020.

(d) Except as provided in subsection (6), any private individual, corporation, partnership, or association in this state and in interstate commerce if the products are manufactured under section 4(h).

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

(3) Except as provided in subsections (2), (4), and (5), the labor of inmates shall not be sold, hired, leased, loaned, contracted for, or otherwise used for private or corporate profit or for any purpose other than the construction, maintenance, or operation of public works, ways, or property as directed by the governor. This act does not prohibit the sale at retail of articles made by inmates for the personal benefit of themselves or their dependents or the payment to inmates for personal services rendered in the correctional institutions, subject to regulations approved by the department of corrections, or the use of inmate labor upon agricultural land that has been rented or leased by the department of corrections upon a sharecropping or other basis.

(4) This act does not prohibit the assignment of prison labor to a private contractor for the production of goods or services to be used solely within a correctional institution, jail, or reentry facility that houses a prisoner population under the jurisdiction of the department of corrections. Inmates assigned by the department of corrections for the production of goods or services that are solely used within a correctional facility or institution that houses a prisoner population under the jurisdiction of the department of corrections are not subject to the prevailing or minimum wage.

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

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

History: 1968, Act 15, Imd. Eff. Apr. 5, 1968;—Am. 1980, Act 245, Eff. Oct. 1, 1980;—Am. 1990, Act 24, Imd. Eff. Mar. 7, 1990;—Am. 1996, Act 537, Imd. Eff. Jan. 13, 1997;—Am. 2007, Act 102, Imd. Eff. Oct. 1, 2007;—Am. 2010, Act 308, Imd. Eff. Dec. 17, 2010;—Am. 2012, Act 261, Imd. Eff. July 2, 2012;—Am. 2015, Act 249, Eff. Mar. 21, 2016.

Compiler's note: In the second sentence of subsection (2), the reference to "the family independence agency" evidently should read "the department of health and human services".