

HOUSE BILL No. 4680

June 4, 2015, Introduced by Reps. Pagel, Kelly, Canfield, Heise, Howrylak, Kosowski,
Webber and Durhal and referred to the Committee on Judiciary.

A bill to amend 1968 PA 15, entitled
"Correctional industries act,"
by amending section 6 (MCL 800.326), as amended by 2012 PA 261.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) Correctional industries products may be sold,
2 exchanged, or purchased by 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, except as provided in
7 subsection (6), a private vendor that operates a correctional
8 facility in this state.

9 (b) Except as provided in subsection (6), any organization
10 that is a tax exempt organization under section 501(c)(3) of the

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

7 (c) Except as provided in subsection (6), any private business
 8 or individual, if the products are cut and sewn textiles, but only
 9 if the same or a comparable in style product is not manufactured by
 10 a private business in this state. However, this subdivision ~~no~~
 11 ~~longer applies~~ **DOES NOT APPLY** beginning on the later of the
 12 following dates:

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

17 (ii) June 1, ~~2015~~-**2020**.

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

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

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

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

22 (4) This act does not prohibit the assignment of prison labor
23 to a private contractor for the production of goods or services to
24 be used solely within a correctional institution, jail, or reentry
25 facility that houses a prisoner population under the jurisdiction
26 of the department **OF CORRECTIONS**. Inmates assigned by the
27 department **OF CORRECTIONS** for the production of goods or services

1 that are solely used within a correctional facility or institution
2 that houses a prisoner population under the jurisdiction of the
3 department **OF CORRECTIONS** are not subject to the prevailing or
4 minimum wage.

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

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

25 Enacting section 1. This amendatory act takes effect 90 days
26 after the date it is enacted into law.