

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.