

HOUSE BILL NO. 6562

December 07, 2022, Introduced by Rep. Rabhi and referred to the Committee on Appropriations.

A bill to amend 1968 PA 15, entitled
"Correctional industries act,"
by amending sections 6 and 12 (MCL 800.326 and 800.332), section 6
as amended by 2015 PA 249 and section 12 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 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

1 agencies of the federal government, a foreign government or
 2 agencies of a foreign government, or, except as provided in
 3 subsection (6), a private vendor that operates a correctional
 4 facility in this state.

5 (b) Except as provided in subsection (6), any organization
 6 that is a tax exempt organization under section 501(c)(3) of the
 7 internal revenue code **of 1986**, 26 USC 501, or any organization or
 8 individual that acts as a fiduciary for a tax exempt organization
 9 under section 501(c)(3) of the internal revenue code **of 1986**, 26
 10 USC 501, and certifies that the product sold or exchanged under
 11 this act is intended for use by a tax exempt organization under
 12 section 501(c)(3) of the internal revenue code **of 1986**, 26 USC 501.

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

18 (i) The date cut and sewn textiles are being manufactured under
 19 the ~~prisoner-prison~~ **prison** industry enhancement certification program
 20 under section ~~4(h)~~ **4(1)(h)** and sold, exchanged, or purchased under
 21 subdivision (d).

22 (ii) June 1, 2020.

23 (d) Except as provided in subsection (6), any private
 24 individual, corporation, partnership, or association in this state
 25 and in interstate commerce if the products are manufactured under
 26 **the prison industry enhancement certification program under** section
 27 ~~4(h)~~ **4(1)(h)**.

28 (2) An agricultural product that is produced on a correctional
 29 farm may be utilized within the correctional institutions or within

1 a correctional facility in this state notwithstanding its operation
2 by a private vendor or sold to an institution, governmental agency,
3 or organization described in subsection (1) or sold for utilization
4 in the food production facilities of the department of corrections
5 notwithstanding the operation of those facilities by a private
6 vendor. An agricultural product that is not utilized or sold as
7 provided in this subsection ~~shall~~**must** be made available without
8 charge to nonprofit charitable organizations or to the ~~family~~
9 ~~independence agency~~**department of health and human services** for use
10 in food banks, bulk food distributions, or similar charitable food
11 distribution programs. This subsection does not apply to an
12 agricultural product that is not in a form suitable for use in the
13 manner prescribed in this section, such as bulk grain, live cattle,
14 and hogs, which may be sold on the open market.

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

27 (4) This act does not prohibit the assignment of prison labor
28 to a private contractor for the production of goods or services to
29 be used solely within a correctional institution, jail, or reentry

1 facility that houses a prisoner population under the jurisdiction
2 of the department of corrections. Inmates assigned by the
3 department of corrections for the production of goods or services
4 that are solely used within a correctional facility or institution
5 that houses a prisoner population under the jurisdiction of the
6 department of corrections are not subject to the prevailing ~~or~~
7 ~~minimum~~ wage.

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

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

28 Sec. 12. **(1) The** ~~For labor performed in a correctional~~
29 **institution by an inmate, the** department of corrections ~~may adopt a~~

1 ~~schedule of payments or allowances to inmates or to their~~
2 ~~dependents from the funds as may be provided for the payment. shall~~
3 pay the inmate at a rate that is not less than the rate prescribed
4 in section 4 of the improved workforce opportunity wage act, 2018
5 PA 337, MCL 408.934.

6 (2) The department shall only withdraw the following from
7 wages earned by an inmate for labor performed in a correctional
8 institution:

9 (a) Applicable state and local income taxes and federal
10 income, Social Security, and Medicare taxes.

11 (b) Of the balance remaining after withdrawal of the taxes
12 described in subdivision (a):

13 (i) Not more than 10% to be paid to a court to satisfy the
14 inmate's financial obligation if either of the following applies:

15 (A) The inmate has been ordered by the court to pay
16 restitution to a victim of his or her crime.

17 (B) The inmate has been ordered by the court to pay fees or
18 court costs.

19 (ii) If the inmate owes arrearages for child support ordered by
20 a court, not more than 5% to be paid on that arrearage.

21 (3) This section does not apply to the payment of wages to
22 inmates assigned to work in private manufacturing or service
23 enterprises under section 7a.