

SUBSTITUTE FOR  
SENATE BILL NO. 1484

A bill to amend 1968 PA 15, entitled  
"Correctional industries act,"  
by amending sections 4 and 7 (MCL 800.324 and 800.327), as amended  
by 1996 PA 537.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 4. (1) The department of corrections may do any of the  
2 following:

3       (a) Construct, use, equip, and maintain buildings, machinery,  
4 boilers, and equipment that may be necessary to provide for the  
5 employment of inmate labor in the state correctional institutions  
6 for the manufacture of goods, wares, and merchandise and the  
7 operation of services.

## Senate Bill No. 1484 as amended September 29, 2010

1 (b) Purchase new material to be used in the manufacture of  
2 goods, wares, **AND** merchandise, and **THE** operation of services.

3 (c) Dispose of the manufactured products or provide services  
4 in the manner provided by law.

5 (d) Continue to use and maintain the buildings, machinery,  
6 boilers, and equipment in the manufacture of goods, wares, and  
7 merchandise in the manner in the operation on April 5, 1968 and use  
8 the facilities in the operation of service programs.

9 (e) Recruit and employ agents and assistants through the  
10 department of civil service as may be necessary to carry out the  
11 purposes of this act and recommend to the department of civil  
12 service classes and selection procedures that recognize the unique  
13 needs of correctional industries in this state.

14 (f) Establish an advisory council for correctional industries  
15 in this state, which shall include representatives of organized  
16 labor, private industry, state government, and the general public.

17 (g) Enter into any agreements necessary for assigning inmates  
18 to employment in private manufacturing or service enterprises under  
19 section 7a.

20 (H) ESTABLISH A PRISON INDUSTRY ENHANCEMENT CERTIFICATION  
21 PROGRAM UNDER 18 USC 1761(C) AND ENTER INTO ANY AGREEMENTS  
22 NECESSARY FOR ASSIGNING PRISONERS TO EMPLOYMENT IN PRIVATE  
23 MANUFACTURING OR SERVICE ENTERPRISES PERMITTED UNDER THE PRISON  
24 INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM<<, INCLUDING, BUT NOT  
25 LIMITED TO, THE MANUFACTURING OF CASKETS FOR THE BURIAL OF INDIGENT  
26 PERSONS>>. THE DEPARTMENT MAY  
27 PURCHASE EQUIPMENT, RAW MATERIALS, SUPPLIES AND OTHER ITEMS  
NECESSARY FOR THE MANUFACTURE OR PRODUCTION OF PRODUCTS OR SERVICES  
UNDER THE PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM AND MAY

Senate Bill No. 1484 (S-1) as amended December 2, 2010

1 CONTRACT WITH A PRIVATE INDIVIDUAL, CORPORATION, PARTNERSHIP, OR  
 2 ASSOCIATION FOR THE MANUFACTURE OF PRODUCTS AND SERVICES UNDER THE  
 3 PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM AND MAY SELL OR  
 4 EXCHANGE THOSE PRODUCTS AND GOODS AS PROVIDED UNDER SECTION  
 5 6(1)(D). PRISONERS PARTICIPATING IN THE PRISON INDUSTRY ENHANCEMENT  
 6 CERTIFICATION PROGRAM SHALL RECEIVE, IN CONNECTION WITH ANY WORK  
 7 PERFORMED, WAGES AT A RATE WHICH IS NOT LESS THAN THAT PAID FOR  
 8 WORK OF A SIMILAR NATURE IN THE LOCALITY IN WHICH THE WORK WAS  
 9 PERFORMED, EXCEPT THAT SUCH WAGES MAYBE SUBJECT TO DEDUCTIONS WHICH  
 10 SHALL NOT, IN THE AGGREGATE, EXCEED 80% OF GROSS WAGES, AND SHALL  
 11 BE LIMITED AS FOLLOWS:

12 (i) TAXES, INCLUDING FEDERAL, STATE, AND LOCAL TAXES.

13 (ii) REASONABLE CHARGES FOR ROOM AND BOARD, AS DETERMINED BY  
 14 REGULATIONS ISSUED BY THE DIRECTOR OF THE DEPARTMENT.

15 (iii) ALLOCATIONS FOR SUPPORT OF FAMILY PURSUANT TO STATE  
 16 STATUTE, COURT ORDER, OR AGREEMENT BY THE OFFENDER.

17 (iv) CONTRIBUTIONS TO ANY FUND ESTABLISHED BY LAW TO COMPENSATE  
 18 THE VICTIMS OF CRIME IN AN AMOUNT THAT IS NOT MORE THAN 20% BUT NOT  
 19 LESS THAN 5% OF GROSS WAGES.

20 (I) ACCEPT FROM A NATURAL PERSON, SOLE PROPRIETORSHIP,  
 21 PARTNERSHIP, CORPORATION, ASSOCIATION, OR LEGAL ENTITY, [

22  
 23  
 24 ] ITEMS THAT ARE LABELED AS OBSOLETE TO  
 25 DISASSEMBLE FOR SALE AS SCRAP OR FOR DISPOSAL. THE DEPARTMENT MAY  
 26 CHARGE A FEE FOR ACCEPTING ITEMS DESCRIBED IN THIS SUBDIVISION AND  
 27 MAY REFUSE TO ACCEPT ANY ITEMS. [OTHER THAN FOR AN INSTITUTION,  
 GOVERNMENTAL AGENCY, OR TAX-EXEMPT ORGANIZATION DESCRIBED IN SECTION 6,]  
 MATERIALS RECOVERED AFTER

1 DISASSEMBLY OR DEMANUFACTURING SHALL NOT BE USED IN ANY FORM OR FOR  
2 ANY PURPOSE OTHER THAN SALE FOR SCRAP VALUE OR DISPOSAL. ANY  
3 PROCEEDS FROM A SALE FOR SCRAP VALUE SHALL BE CREDITED TO THE  
4 CORRECTIONAL INDUSTRIES REVOLVING FUND.

5 (2) PRISONERS PARTICIPATING IN THE PRISON INDUSTRY ENHANCEMENT  
6 CERTIFICATION PROGRAM UNDER SUBSECTION (1) (H) SHALL NOT BE DEPRIVED  
7 OF THE RIGHT TO PARTICIPATE IN BENEFITS MADE AVAILABLE BY THE  
8 FEDERAL OR STATE GOVERNMENT TO OTHER INDIVIDUALS ON THE BASIS OF  
9 THEIR EMPLOYMENT. HOWEVER, THOSE PRISONERS SHALL NOT BE QUALIFIED  
10 TO RECEIVE ANY PAYMENTS FOR UNEMPLOYMENT COMPENSATION WHILE  
11 INCARCERATED. PRISONERS PARTICIPATING IN THE PRISON INDUSTRY  
12 ENHANCEMENT CERTIFICATION PROGRAM SHALL PARTICIPATE IN THAT  
13 EMPLOYMENT VOLUNTARILY AND MUST HAVE AGREED IN ADVANCE TO THE  
14 SPECIFIC DEDUCTIONS MADE FROM GROSS WAGES REQUIRED UNDER SUBSECTION  
15 (1) (H) AND ALL OTHER FINANCIAL ARRANGEMENTS AS A RESULT OF  
16 PARTICIPATION IN THAT EMPLOYMENT. THE USE OF INMATE LABOR SHALL NOT  
17 RESULT IN THE DISPLACEMENT OF EMPLOYED WORKERS WITHIN THE LOCAL  
18 REGION IN WHICH WORK OF THE SAME OR COMPARABLE NATURE IS BEING  
19 PERFORMED.

20 Sec. 7. The department of corrections shall provide as fully  
21 as practicable for the employment of inmates in tasks consistent  
22 with the penal and rehabilitative purposes of their imprisonment  
23 and with the public economy. The types of employment shall be as  
24 follows:

25 (a) Routine maintenance and operation of correctional  
26 institutions.

27 (b) Educational and rehabilitation activities, whether formal

1 or through productive or socialized activities, determined on the  
2 basis of individual needs and educability.

3 (c) Productive or maintenance labor on or in connection with  
4 the institution farms, or other land rented or leased by the  
5 department of corrections, factories, shops, or other available  
6 facilities for the production and distribution of correctional  
7 industries products and services.

8 (d) Labor assignments on state public works, ways, or  
9 properties when and as requisitioned by the governor or on county,  
10 township, or district roads when requested by the county board of  
11 commissioners pursuant to section 1 of ~~Act No. 181 of the Public~~  
12 ~~Acts of 1911, being section 800.101 of the Michigan Compiled Laws~~  
13 **1911 PA 181, MCL 800.101.**

14 (e) Labor assignments in private manufacturing or service  
15 enterprises established under section 7a.

16 **(F) LABOR ASSIGNMENTS IN CONNECTION WITH MANUFACTURE OF**  
17 **PRODUCTS UNDER SECTION 4(1)(H) AND IN CONNECTION WITH THE**  
18 **DISASSEMBLY AND DISPOSAL OF ITEMS AND SCRAP MATERIAL UNDER SECTION**  
19 **4(1)(I).**

20 Enacting section 1. This amendatory act does not take effect  
21 unless Senate Bill No. 1485 of the 95th Legislature is enacted into  
22 law.