

HOUSE BILL NO. 436

INTRODUCED BY BARDANOUE

BY REQUEST OF THE DEPARTMENT OF INSTITUTIONS

IN THE HOUSE

January 23, 1981	Introduced and referred to Committee on State Administration.
January 26, 1981	Fiscal note requested.
February 2, 1981	Fiscal note returned.
February 4, 1981	Committee recommend bill do pass. Report adopted.
February 5, 1981	Bill printed and placed on members' desks.
February 6, 1981	Motion pass consideration until 40th legislative day.
February 19, 1981	Second reading, do pass as amended.
February 21, 1981	Correctly engrossed.
February 24, 1981	Third reading, passed. Ayes, 97; Noes, 1. Transmitted to Senate.

IN THE SENATE

March 2, 1981	Introduced and referred to Committee on State Administration.
March 25, 1981	Committee recommend bill be concurred in as amended. Report adopted.
March 27, 1981	Second reading, concurred in.
March 30, 1981	Third reading, concurred in as amended. Ayes, 49; Noes, 0.

IN THE HOUSE

March 31, 1981

Returned from Senate with amendments.

April 8, 1981

Second reading, amendments concurred in.

April 9, 1981

Third reading, amendments concurred in. Ayes, 94; Noes, 0. Sent to enrolling.

Reported correctly enrolled.



1 the manufacture of the signs is in violation of a collective  
2 bargaining contract;

3 ~~{1}~~{12} pay an inmate of the state prison or resident  
4 of an institution, from receipts from the sale of goods  
5 products produced or manufactured at the institution where  
6 the resident resides or from the program that the inmate was  
7 working in an amount not exceeding \$1 per day as an  
8 incentive or services rendered in a program in which he is  
9 working. Payment for the performance of work may be based  
10 on the following criteria:

- 11 (a) knowledge and skill;
- 12 (b) attitude toward authority;
- 13 (c) physical effort;
- 14 (d) responsibility for equipment and materials;
- 15 (e) regard for safety of others.

16 {13} The maximum rate of pay shall be determined by the  
17 appropriation established for each program."

18 Section 2. Section 53-1-302, MCA, is amended to read:

19 "53-1-302. Disposition of receipts from sale of goods.  
20 Receipts from the sale of goods produced or manufactured by  
21 an institution shall be deposited in the revolving fund  
22 account for the use of the industries program of the  
23 institution. ~~At the end of each fiscal year, not less than~~  
24 ~~75% of the unobligated balance in the revolving fund account~~  
25 ~~shall be transferred to the general fund."~~

1 Section 3. Section 53-1-303, MCA, is amended to read:

2 "53-1-303. Prohibited acts. ~~{1} Except as provided in~~  
3 ~~53-1-301{0} and except for hides and livestock byproducts~~  
4 ~~best utilized in a rendering plant and except for articles~~  
5 ~~made by a resident of an institution for his own profit, the~~  
6 ~~sale or exchange, directly or indirectly, to the consuming~~  
7 ~~public of goods produced or manufactured at an institution~~  
8 ~~is prohibited.~~

9 ~~{2} The exchange of goods produced by an institution~~  
10 ~~for the products of any other state is prohibited.~~

11 ~~{3} Except where specifically unless permitted by the~~  
12 ~~department, arranging for the labor of a resident of an~~  
13 ~~institution is prohibited."~~

-End-

STATE OF MONTANA

REQUEST NO. 221-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 26, 19 81, there is hereby submitted a Fiscal Note for House Bill 436 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

Description of Proposed Legislation

An act to generally revise and clarify institutional industries programs of the Department of Institutions; amending sections 53-1-301 through 53-1-303, MCA.

Assumptions

1. The expansion of the industry program will be approved by the legislature as submitted, including building, new equipment, and additional FTE.
2. Net losses incurred by the industries will be subsidized by the General Fund for the 82-83 biennium, as included in the plan.
3. It is not possible to estimate the effects of the open market provisions of this bill on industry sales in FY 82-83.

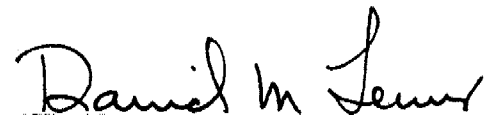
<u>Fiscal Impact</u>	<u>FY 1982</u>	<u>FY 1983</u>
Revolving Fund Revenues	\$16,980	\$47,450
Revolving Fund Expenditures	8,320	23,250

Long Range Effects

Without passage of legislation expending the market for institutional products, the industries program cannot expect to become financially self sufficient.

Comments

This legislation and a proposed budget increase are being presented to the legislature as a package program. In order to most clearly understand the proposed changes in the program, this fiscal note reflects the modified budget that has been proposed to the appropriations committee. If funds for expansion of the Industries Program are denied, the need for this legislation would need to be reconsidered.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-2-81



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7 working in, an amount not exceeding \$1 per day as an  
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23 institution. ~~At the end of each fiscal year, not less than~~  
24 ~~75% of the unobligated balance in the revolving fund account~~  
25 ~~shall be transferred to the general fund."~~

1 Section 3. Section 53-1-303, MCA, is amended to read:

2 "53-1-303. Prohibited acts. ~~{1}~~ Except as provided in  
3 53-1-301~~{9}~~ and except for hides and livestock byproducts  
4 best utilized in a rendering plant and except for articles  
5 made by a resident of an institution for his own profit, the  
6 sale or exchange, directly or indirectly, to the consuming  
7 public of goods produced or manufactured at an institution  
8 is prohibited.

9 ~~{2}~~ The exchange of goods produced by an institution  
10 for the products of any other state is prohibited.

11 ~~{3}~~ Except where specifically Unless permitted by the  
12 department, arranging for the labor of a resident of an  
13 institution is prohibited."

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3 BY REQUEST OF THE DEPARTMENT OF INSTITUTIONS

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6 CLARIFY INSTITUTIONAL INDUSTRIES PROGRAMS OF THE DEPARTMENT  
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8 53-1-303, MCA."

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10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 53-1-301, MCA, is amended to read:

12 "53-1-301. Permitted institutional industries, powers  
13 of department, and incentive pay to inmates. The department  
14 may:

15 (1) establish industries in institutions which will  
16 result in the production or manufacture of goods-that-may-be  
17 ~~needed-by-institutions--and--other--state--agencies~~ such  
18 products and the rendering of such services as may be needed  
19 by any department or agency of the state or any political  
20 subdivision thereof, by any agency of the federal  
21 government, by any other states or their political  
22 subdivisions, or by nonprofit organizations, and that will  
23 assist in the rehabilitation of residents in institutions;

24 (2) contract with private industry for the sale of  
25 goods or components manufactured or produced in shops under

1 its jurisdiction;

2 †2†(3) print catalogs describing goods manufactured or  
3 produced by institutions and distribute the catalogs;

4 †3†(4) fix the sale price for goods produced or  
5 manufactured at institutions. Prices shall not exceed prices  
6 existing in the open market for goods of comparable quality.

7 †4†(5) require institutions to purchase needed goods  
8 from other institutions;

9 †5†(6) provide for the repair and maintenance of  
10 property and equipment of institutions by residents of  
11 institutions;

12 †6†(7) provide for construction projects up to the  
13 aggregate sum of \$25,000 per project, by residents of  
14 institutions; provided, however, said construction work is  
15 not covered by a collective bargaining agreement;

16 †7†(8) provide for the repair and maintenance at an  
17 institution of furniture and equipment of any state agency;

18 †8†(9) provide for the manufacture at an institution  
19 of motor vehicle license plates and other related articles;

20 †9†(10) with the approval of the department, sell  
21 manufactured or agricultural products and livestock on the  
22 open market;

23 †10†(11) provide for the manufacture at an institution  
24 of highway, road, and street marking signs for the use of  
25 the state or any of its political subdivisions, except when



1 the manufacture of the signs is in violation of a collective  
2 bargaining contract;

3 ~~{1}~~{12} pay an inmate of the state prison or resident  
4 of an institution, from receipts from the sale of goods  
5 products produced or manufactured at the institution where  
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24 REVOLVING ACCOUNT IN EXCESS OF THAT AMOUNT APPROPRIATED EACH  
25 FISCAL YEAR SHALL BE TRANSFERRED TO THE GENERAL FUND AT THE

1 END OF EACH FISCAL YEAR. At the end of each fiscal year, not  
2 less than 75% of the unobligated balance in the revolving  
3 fund account shall be transferred to the general fund."

4 Section 3. Section 53-1-303, MCA, is amended to read:

5 "53-1-303. Prohibited acts. {1} Except as provided in  
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1 ~~END OF EACH FISCAL YEAR, AT THE END OF EACH BIENNIAL, ALL~~  
2 ~~UNOBLIGATED REVOLVING FUNDS OVER A \$50,000 ENDING FUND~~  
3 ~~BALANCE, EXCEPT FOR THOSE FUNDS RESERVED FOR EQUIPMENT~~  
4 ~~REPLACEMENT AS DETERMINED BY AN EQUIPMENT REPLACEMENT~~  
5 ~~SCHEDULE, SHALL REVERT TO THE STATE GENERAL FUND ACCOUNT. AT~~  
6 ~~THE END OF EACH FISCAL YEAR, NOT LESS THAN 75% OF THE~~  
7 ~~UNOBLIGATED BALANCE IN THE REVOLVING FUND ACCOUNT SHALL BE~~  
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-End-

March 25, 1981

SENATE STANDING COMMITTEE REPORT  
(State Administration)

That House Bill No. 436 be amended as follows:

1. Page 3, line 23 through Page 4, line 1.

Following: "institution."

Strike: the remainder of line 23, page 3, through "YEAR" on line 1,  
page 4

Insert: "At the end of each biennium, all unobligated revolving  
funds over a \$50,000 ending fund balance, except for those funds  
reserved for equipment replacement as determined by an equipment  
replacement schedule, shall revert to the state general fund account."