

HOUSE BILL 285

Introduced by Tuss, et al.

1/19	Introduced
1/20	Referred to Agriculture, Livestock & Irrigation
1/20	First Reading
1/20	Fiscal Note Requested
1/27	Fiscal Note Received
1/30	Fiscal Note Printed
2/02	Hearing
2/09	Tabled in Committee

1 House BILL NO. 285
 2 INTRODUCED BY Tim Davis
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THAT
 5 MANUFACTURED OR AGRICULTURAL PRODUCTS OR LIVESTOCK PRODUCED
 6 BY INSTITUTION INDUSTRIES BE SOLD AT THE PREVAILING MARKET
 7 PRICE FOR GOODS OF COMPARABLE QUALITY IF SOLD WITHIN THE
 8 STATE; AND AMENDING SECTION 53-1-301, MCA."

9
 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. (1) Except as
 14 provided in subsection (3), the department may:

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

23 (b) contract with private industry for the sale of
 24 goods or components manufactured or produced in shops under
 25 its jurisdiction;

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

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

7 (e) require institutions to purchase needed goods from
 8 other institutions;

9 (f) provide for the repair and maintenance of property
 10 and equipment of institutions by residents of institutions;

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

15 (h) provide for the repair and maintenance at an
 16 institution of furniture and equipment of any state agency;

17 (i) provide for the manufacture at an institution of
 18 motor vehicle license plates and other related articles;

19 (j) with the approval of the department, sell
 20 manufactured or agricultural products and livestock on the
 21 open prevailing market. If sold within the state, the sales
 22 price may not be less than the prevailing market price for
 23 goods of comparable quality.

24 (k) provide for the manufacture at an institution of
 25 highway, road, and street marking signs for the use of the

1 state or any of its political subdivisions, except when the
2 manufacture of the signs is in violation of a collective
3 bargaining contract;

4 (1) pay an inmate or resident of an institution from
5 receipts from the sale of products produced or manufactured
6 or services rendered in a program in which he the individual
7 is working.

8 (2) (a) Payment for the performance of work may be
9 based on the following criteria:

10 (i) knowledge and skill;

11 (ii) attitude toward authority;

12 (iii) physical effort;

13 (iv) responsibility for equipment and materials;

14 (v) regard for safety of others.

15 (b) The maximum rate of pay ~~shall~~ must be determined by
16 the appropriation established for each program.

17 (3) Except as provided in subsection (4), furniture
18 made in the prison may be purchased by state agencies in
19 accordance with the procurement provisions under Title 18,
20 chapter 4. All other prison-made furniture may be sold only
21 through licensed wholesale or retail furniture outlets or
22 through export firms for sale to international markets.

23 (4) Any state institution, facility, or program
24 operated by the department may purchase prison-made
25 furniture without complying with the procurement provisions

1 under Title 18, chapter 4."

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0285, as introduced.


DESCRIPTION OF PROPOSED LEGISLATION: An act requiring that manufactured or agricultural products or livestock produced by institution industries be sold at the prevailing market price for goods of comparable quality if sold within the state.

ASSUMPTIONS:

1. Dairy products sold to institutions and non-profit customers are sold at approximately 90% of market price.
2. Department of Corrections and Human Services institutions purchasing dairy products include: Montana Developmental Center, Montana State Hospital, Galen State Hospital, Montana State Prison (MSP), Swan River Forest Camp, Montana Veterans Home and the Montana Center for the Aged.
3. Department of Family Services programs at the youth evaluation project and Mountain View School also purchase dairy products and achieved FY92 savings estimated to be approximately \$3,450 per year.
4. MSP estimates the general fund cost saved at the above institutions in FY92 was \$63,000.
5. Inflation factors of 1.054 for FY94 and 1.088 for FY95 are used in the current level estimates.
6. MSP estimates that \$235,000 was saved in FY92 by customers of the Industrial Complex which would include state agencies purchasing furniture and upholstery. No figures are available to determine the amount of the above which would be additional general fund cost to government agencies.

FISCAL IMPACT:

	FY '94			FY '95		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
Operating Costs	0	66,402	66,402	0	68,544	68,544
General Fund	0	66,402	66,402	0	68,544	68,544


DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

CARLEY TUSS, PRIMARY SPONSOR DATE

Fiscal Note for HB0285, as introduced

HB285