HOUSE BILL NO. 4

INTRODUCED BY BENEDICT BY REQUEST OF THE DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES AND THE OFFICE OF BUDGET AND PROGRAM PLANNING

IN THE HOUSE

NOVEMBER 24, 1993 INTRODUCED AND REFERRED TO COMMITTEE ON APPROPRIATIONS.

NOVEMBER 29, 1993 FIRST READING.

DECEMBER 1, 1993 DO PASS. REPORT ADOPTED.

PRINTING REPORT.

DECEMBER 3, 1993 SECOND READING, DO PASS.

ENGROSSING REPORT.

THIRD READING, PASSED. AYES, 58; NOES, 41.

TRANSMITTED TO SENATE.

IN THE SCNATE

DECEMBER 4, 1993 INTRODUCED AND REFERRED TO COMMITTEE ON FINANCE & CLAIMS.

FIRST READING.

DECEMBER 14, 1993 COMMITTEE RECOMMEND BILL BE CONCURRID IN AS AMENDED. REPORT ADOPTED.

DECEMBER 15, 1993 SECOND READING, CONCURRED IN.

THIRD READING, CONCURRED IN. AYES, 42; NO S, 7.

RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

DECEMBER 17, 1993 RE

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS

CONCURRED IN.

THIRD READING, AMENDMENTS CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 2 INTRODUCED BY BENEDICT 3 BY REQUEST OF THE DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES AND THE OFFICE OF BUDGET AND PROGRAM PLANNING 4 5 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE USE OF 6 7 INMATE LABOR FOR CONSTRUCTION OF THE DAIRY DORMITORY AT THE MONTANA STATE PRISON AS AUTHORIZED IN SECTIONS 2 AND 18, 8 9 CHAPTER 624, LAWS OF 1993; ALLOWING THE PROJECT TO BE EXEMPT 10 FROM PUBLIC BIDDING, BONDING, CONTRACTS, WORKERS' 11 COMPENSATION COVERAGE, OR LABOR AND WAGE REQUIREMENTS; AMENDING SECTION 53-1-301, MCA; AND PROVIDING AN IMMEDIATE 12 13 EFFECTIVE DATE."

HOUSE BILL NO. 4

14

15 WHEREAS, the Department of Corrections and Human Services is trying to expand the number and variety of 16 productive work experiences for inmates at the Montana State 17 18 Prison: and

WHEREAS, the prison ranch is recognized as a productive 19 20 work site: and

WHEREAS, the Department wishes to contribute 21 to 22 statewide efforts to balance the budget but is unable to 23 absorb further operating budget reductions; and

24 WHEREAS, construction of the low-security facility using 25 inmate labor as authorized by the 51st Legislature was both

ntana Legislative Council

an effective work experience and cost-reduction measure. 1 THEREFORE, the Legislature of the State of Montana finds 2 it is appropriate to amend section 53-1-301, MCA, for the 3 4 purpose of using inmate labor to construct the dairy dormitory at the Montana State Prison. 5 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 7

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

9 "53-1-301. Permitted institutional industries, powers of department, and incentive pay to inmates. (1) Except as 10 11 provided in subsection (4), the department may:

12 (a) establish industries in institutions that will 13 result in the production or manufacture of products and the rendering of services as may be needed by any department or 14 agency of the state or any political subdivision of the 15 state, by any agency of the federal government, by any other 16 states or their political subdivisions, or by nonprofit 17 organizations and that will assist in the rehabilitation of 18 19 residents in institutions;

20 (b) obtain federal certification of specific prison industries programs in order to gain access to interstate 21 22 markets for prison industries products;

(c) contract with private industry for the sale of 23 goods or components manufactured or produced in shops under 24 its jurisdiction and for the employment of inmates in 25

> HB4 INTRODUCED BILL -2-

1	federally certified prison industries programs;	1	(m) pay an inmate or resident o
2	(d) print catalogs describing goods manufactured or	2	receipts from the sale of products prod
3	produced by institutions and distribute the catalogs;	3	or services rendered in a program i
4	(e) fix the sale price for goods produced or	. 4	resident is working;
5	manufactured at institutions. Prices may not exceed prices	5	(n) collect 15% of the net wages
6	existing in the open market for goods of comparable quality.	6	employed in a federally certified pris
7	(f) require institutions to purchase needed goods from	7	for deposit in the Montana crime victi
8	other institutions;	8	assistance account established under 53
9	(g) provide for the repair and maintenance of property	9	(o) collect from an inmate emp
10	and equipment of institutions by residents of institutions;	10	certified prison industries program ch
.11	(h) provide for construction projects, up to the	11	board consistent with charges establ
12	aggregate sum of \$25,000 per project, performed by residents	12	for inmates assigned to prerelease cent
13	of institutions, except when the construction work is	13	(2) (a) Except as provided for in
14	covered by a collective bargaining agreement;	14	payment for the performance of wor
15	(i) provide for the repair and maintenance at an	15	following criteria:
16	institution of furniture and equipment of any state agency;	16	(i) knowledge and skill;
17	(j) provide for the manufacture at an institution of	17	(ii) attitude toward authority;
18	motor vehicle license plates and other related articles;	18	(iii) physical effort;
19	(k) sell manufactured or agricultural products and	19	(iv) responsibility for equipment a
20	livestock on the open market;	20	(v) regard for safety of others.
21	(1) provide for the manufacture at an institution of	21	(b) The maximum rate of pay must b
22	highway, road, and street marking signs for the use of the	2 2	appropriation established for each
23	state or any of its political subdivisions, except when the	23	inmates employed in a federally certifi
24	manufacture of the signs is in violation of a collective	24	program must be paid at a rate not le
25	bargaining contract;	25	for similar work in the locality where

of an institution from roduced or manufactured m in which the inmate or

es paid to an inmate rison industries program ctims compensation and 53-9-109; and

employed in a federally charges for room and ablished by the director enters.

in subsection (2)(b), work may be based on the

t and materials; and

t be determined by the h program, except that ified prison industries less than the rate paid re the inmate performs

*

1 the work.

2 (3) Premiums for workers' compensation and occupational 3 disease coverage must be paid by the prison industries program or by the department of -- institutions. If the 4 department pays the premium, reimbursement for premium 5 payments for workers' compensation and occupational disease 6 7 coverage must be made to the department by the private company contracting with the federally certified prison 8 9 industries program for services and products.

10 (4) Except as provided in subsection (5), furniture 11 made in the prison may be purchased by state agencies in 12 accordance with the procurement provisions under Title 18, 13 chapter 4. All other prison-made furniture may be sold only 14 through licensed wholesale or retail furniture outlets or 15 through export firms for sale to international markets.

16 (5) Any state institution, facility, or program
17 operated by the department may purchase prison-made
18 furniture without complying with the procurement provisions
19 under Title 18, chapter 4.

20 (6) The department may provide for the construction of 21 the project authorized in [section 2] by inmates at the 22 Montana state prison."

23 <u>NEW SECTION.</u> Section 2. Authorization of inmate labor
 24 for designated construction project -- exemptions. (1) The
 25 department of corrections and human services is authorized

to use inmate labor for the purpose of constructing the
 dairy dormitory at the Montana state prison authorized in
 sections 2 and 18, Chapter 624, Laws of 1993.

4 (2) The department of administration may exempt the 5 project authorized in this section from the provisions of 6 any applicable Montana law relating to public bidding, 7 bonding, contracts, workers' compensation coverage, or labor 8 and wage requirements.

9 <u>NEW SECTION.</u> Section 3. Severability. If a part of 10 [this act] is invalid, all valid parts that are severable 11 from the invalid part remain in effect. If a part of [this 12 act] is invalid in one or more of its applications, and the 13 part remains in effect in all valid applications that are 14 severable from the invalid applications.

15 NEW SECTION. Section 4. Effective date. [This act] is

16 effective on passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for <u>HB0004, as introduced</u>.

<u>DESCRIPTION OF PROPOSED LEGISLATION</u>: An act allowing the use of inmate labor for construction of the dairy dormitory at the Montana State Prison, the construction of which was authorized in Sections 2 and 18, Chapter 624, Laws of 1993 (HB5).

ASSUMPTIONS :

- 1. Section 2 of HB5 appropriates \$605,212 of proprietary revenue in the prison ranch account towards construction of the dairy dormitory.
- 2. The balance of the total \$2,222,729 dairy dorm project [\$1,617,517], based on the architect's project budget, was authorized through issuance of long-range building program bonds in Section 18 of HB5.
- 3. After the Fifty-first Legislature authorized construction of a low-security housing unit at Montana State Prison using inmate labor, the savings were 40% of the project cost.
- 4. A minimum 40% savings is projected for the dairy dorm, resulting in a reduction of \$889,091 to the bond issue planned for January or February 1994.
- 5. The FY95 general fund debt service will be reduced by about \$82,981.

FISCAL IMPACT:

No FY94 impact. Assuming interest payments commencing six months after the date of issuance, FY95 general fund savings would be about \$82,981, depending on interest rates and other variables.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Over the life of the bonds, the general fund savings is projected at approximately \$1,249,172.

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

53rd Legislature Special Session 11/93 HB 0004/01

APPROVED BY COMMITTEE ON APPROPRIATIONS

1	HOUSE BILL NO. 4
2	INTRODUCED BY BENEDICT
3	BY REQUEST OF THE DEPARTMENT OF CORRECTIONS AND
4	HUMAN SERVICES AND THE OFFICE OF BUDGET AND PROGRAM PLANNING
5	
6	A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE USE OF
7	INMATE LABOR FOR CONSTRUCTION OF THE DAIRY DORMITORY AT THE
8	MONTANA STATE PRISON AS AUTHORIZED IN SECTIONS 2 AND 18,
9	CHAPTER 624, LAWS OF 1993; ALLOWING THE PROJECT TO BE EXEMPT
10	FROM PUBLIC BIDDING, BONDING, CONTRACTS, WORKERS'
11	COMPENSATION COVERAGE, OR LABOR AND WAGE REQUIREMENTS;
12	AMENDING SECTION 53-1-301, MCA; AND PROVIDING AN IMMEDIATE
13	EFFECTIVE DATE."
14	
15	WHEREAS, the Department of Corrections and Human
16	Services is trying to expand the number and variety of
17	productive work experiences for inmates at the Montana State
18	Prison; and
19	WHEREAS, the prison ranch is recognized as a productive
20	work site; and
21	WHEREAS, the Department wishes to contribute to
22	statewide efforts to balance the budget but is unable to
23	absorb further operating budget reductions; and
24	WHEREAS, construction of the low-security facility using
25	inmate labor as authorized by the 51st Legislature was both

iontana Legislative Council

1 an effective work experience and cost-reduction measure.

2 THEREFORE, the Legislature of the State of Montana finds 3 it is appropriate to amend section 53-1-301, MCA, for the 4 purpose of using inmate labor to construct the dairy 5 dormitory at the Montana State Prison.

6

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

8 Section 1. Section 53-1-301, MCA, is amended to read:
9 "53-1-301. Permitted institutional industries, powers
10 of department, and incentive pay to inmates. (1) Except as
11 provided in subsection (4), the department may:

(a) establish industries in institutions that will 12 13 result in the production or manufacture of products and the 14 rendering of services as may be needed by any department or agency of the state or any political subdivision of the 15 state, by any agency of the federal government, by any other 16 17 states or their political subdivisions, or by nonprofit organizations and that will assist in the rehabilitation of 18 19 residents in institutions:

(b) obtain federal certification of specific prison
industries programs in order to gain access to interstate
markets for prison industries products;

23 (c) contract with private industry for the sale of
24 goods or components manufactured or produced in shops under
25 its jurisdiction and for the employment of inmates in

-2- HB4 second reading

1 federally certified prison industries programs;

2 (d) print catalogs describing goods manufactured or3 produced by institutions and distribute the catalogs;

4 (e) fix the sale price for goods produced or 5 manufactured at institutions. Prices may not exceed prices 6 existing in the open market for goods of comparable quality. 7 (f) require institutions to purchase needed goods from 8 other institutions;

9 (g) provide for the repair and maintenance of property 10 and equipment of institutions by residents of institutions; 11 (h) provide for construction projects, up to the 12 aggregate sum of \$25,000 per project, performed by residents 13 of institutions, except when the construction work is 14 covered by a collective bargaining agreement;

(i) provide for the repair and maintenance at an
institution of furniture and equipment of any state agency;
(j) provide for the manufacture at an institution of
motor vehicle license plates and other related articles;

19 (k) sell manufactured or agricultural products and 20 livestock on the open market;

(1) provide for the manufacture at an institution of
highway, road, and street marking signs for the use of the
state or any of its political subdivisions, except when the
manufacture of the signs is in violation of a collective
bargaining contract;

1	(m) pay an inmate or resident of an institution from
2	receipts from the sale of products produced or manufactured
3	or services rendered in a program in which the inmate or
4	resident is working;
5	(n) collect 15% of the net wages paid to an inmate
6	employed in a federally certified prison industries program
7	for deposit in the Montana crime victims compensation and
8	assistance account established under 53-9-109; and
9	(o) collect from an inmate employed in a federally
10	certified prison industries program charges for room and
11	board consistent with charges established by the director
12	for inmates assigned to prerelease centers.
13	(2) (a) Except as provided for in subsection (2)(b),
14	payment for the performance of work may be based on the
15	following criteria:
16	(i) knowledge and skill;
17	(ii) attitude toward authority;
18	(iii) physical effort;
19	(iv) responsibility for equipment and materials; and
20	(v) regard for safety of others.
21	(b) The maximum rate of pay must be determined by the
22	appropriation established for each program, except that
23	inmates employed in a federally certified prison industries
24	program must be paid at a rate not less than the rate paid

- 3 -

-4-

1 the work.

2 (3) Premiums for workers' compensation and occupational 3 disease coverage must be paid by the prison industries 4 program or by the department of--institutions. If the 5 department pays the premium, reimbursement for premium 6 payments for workers' compensation and occupational disease 7 coverage must be made to the department by the private 8 company contracting with the federally certified prison 9 industries program for services and products.

10 (4) Except as provided in subsection (5), furniture 11 made in the prison may be purchased by state agencies in 12 accordance with the procurement provisions under Title 18, 13 chapter 4. All other prison-made furniture may be sold only 14 through licensed wholesale or retail furniture outlets or 15 through export firms for sale to international markets.

16 (5) Any state institution, facility, or program
17 operated by the department may purchase prison-made
18 furniture without complying with the procurement provisions
19 under Title 18, chapter 4.

20 (6) The department may provide for the construction of 21 the project authorized in [section 2] by inmates at the 22 Montana state prison."

23 <u>NEW SECTION.</u> Section 2. Authorization of inmate labor
 24 for designated construction project -- exemptions. (1) The
 25 department of corrections and human services is authorized

to use inmate labor for the purpose of constructing the
 dairy dormitory at the Montana state prison authorized in
 sections 2 and 18, Chapter 624, Laws of 1993.

4 (2) The department of administration may exempt the 5 project authorized in this section from the provisions of 6 any applicable Montana law relating to public bidding, 7 bonding, contracts, workers' compensation coverage, or labor 8 and wage requirements.

9 <u>NEW SECTION.</u> Section 3. Severability. If a part of 10 [this act] is invalid, all valid parts that are severable 11 from the invalid part remain in effect. If a part of [this 12 act] is invalid in one or more of its applications, and the 13 part remains in effect in all valid applications that are 14 severable from the invalid applications.

15 <u>NEW SECTION.</u> Section 4. Effective date. {This act} is 16 effective on passage and approval.

-End-

-5-

-6-

53rd Legislature Special Session 11/93

HOUSE BILL NO. 4 1 INTRODUCED BY BENEDICT 2 BY REQUEST OF THE DEPARTMENT OF CORRECTIONS AND 3 4 HUMAN SERVICES AND THE OFFICE OF BUDGET AND PROGRAM PLANNING 5 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE USE OF 6 INMATE LABOR FOR CONSTRUCTION OF THE DAIRY DORMITORY AT THE 7 MONTANA STATE PRISON AS AUTHORIZED IN SECTIONS 2 AND 18, 8 9 CHAPTER 624, LAWS OF 1993; ALLOWING THE PROJECT TO BE EXEMPT 10 FROM PUBLIC BIDDING. BONDING. CONTRACTS, WORKERS' COMPENSATION COVERAGE, OR LABOR AND WAGE REQUIREMENTS; 11 12 AMENDING SECTION 53-1-301, MCA; AND PROVIDING AN IMMEDIATE 13 EFFECTIVE DATE."

14

•

15 WHEREAS, the Department of Corrections and Human 16 Services is trying to expand the number and variety of 17 productive work experiences for inmates at the Montana State 18 Prison; and

19 WHEREAS, the prison ranch is recognized as a productive20 work site; and

WHEREAS, the Department wishes to contribute to
statewide efforts to balance the budget but is unable to
absorb further operating budget reductions; and

WHEREAS, construction of the low-security facility using
inmate labor as authorized by the 51st Legislature was both

HB 0004/01

an effective work experience and cost-reduction measure. 1 2 THEREFORE, the Legislature of the State of Montana finds 3 it is appropriate to amend section 53-1-301, MCA, for the purpose of using inmate labor to construct the dairy 4 5 dormitory at the Montana State Prison. 6 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: Section 1. Section 53-1-301, MCA, is amended to read: 8 9 "53-1-301. Permitted institutional industries, powers 10 of department, and incentive pay to inmates. (1) Except as 11 provided in subsection (4), the department may: 12 (a) establish industries in institutions that will result in the production or manufacture of products and the 13 rendering of services as may be needed by any department or 14 agency of the state or any political subdivision of the 15 state, by any agency of the federal government, by any other 16 states or their political subdivisions, or by nonprofit 17 organizations and that will assist in the rehabilitation of 18 19 residents in institutions; 20 (b) obtain federal certification of specific prison industries programs in order to gain access to interstate 21 markets for prison industries products; 22 23 (c) contract with private industry for the sale of

23 (c) contract with private industry for the sale of
24 goods or components manufactured or produced in shops under
25 its jurisdiction and for the employment of inmates in

HB 4 -2-THIRD READING

1 federally certified prison industries programs: 2 (d) print catalogs describing goods manufactured or produced by institutions and distribute the catalogs; 3 (e) fix the sale price for goods produced or 4 manufactured at institutions. Prices may not exceed prices 5 б existing in the open market for goods of comparable guality, 7 (f) require institutions to purchase needed goods from other institutions; 8 9 (g) provide for the repair and maintenance of property and equipment of institutions by residents of institutions; 10 11 (h) provide for construction projects, up to the 12 aggregate sum of \$25,000 per project, performed by residents 13 of institutions, except when the construction work is 14 covered by a collective bargaining agreement; 15 (i) provide for the repair and maintenance at an institution of furniture and equipment of any state agency; 16 17 (j) provide for the manufacture at an institution of 18 motor vehicle license plates and other related articles; 19 (k) sell manufactured or agricultural products and 20 livestock on the open market; 21 (1) provide for the manufacture at an institution of 22 appropriation established for each program, except that 22 highway, road, and street marking signs for the use of the inmates employed in a federally certified prison industries 23 state or any of its political subdivisions, except when the 23 manufacture of the signs is in violation of a collective 24 -24 program must be paid at a rate not less than the rate paid

25 bargaining contract; HB 0004/01

1	(m) pay an inmate or resident of an institution from
2	receipts from the sale of products produced or manufactured
3	or services rendered in a program in which the inmate or
4	resident is working;
5	(n) collect 15% of the net wages paid to an inmate
6	employed in a federally certified prison industries program
7	for deposit in the Montana crime victims compensation and
8	assistance account established under 53-9-109; and
9	(o) collect from an inmate employed in a federally
10	certified prison industries program charges for room and
11	board consistent with charges established by the director
12	for inmates assigned to prerelease centers.
13	(2) (a) Except as provided for in subsection (2)(b),
14	payment for the performance of work may be based on the
15	following criteria:
16	(i) knowledge and skill;
17	(ii) attitude toward authority;
18	(iii) physical effort;
19	(iv) responsibility for equipment and materials; and
20	(v) regard for safety of others.
21	(b) The maximum rate of pay must be determined by the

-3-

-4-

25

for similar work in the locality where the inmate performs

SENATE STANDING COMMITTEE REPORT

Page 1 of 1 December 14, 1993

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill No. 4 (third reading copy -- blue), respectfully report that House Bill No. 4 be amended as follows and as so amended be concurred in.

Signed: Judy H. Jacobson, Chair

That such amendments read:

1. Title, line 9.
Following: "1993;"
Insert: "UNDER CERTAIN CIRCUMSTANCES,"

2. Title, line 12.
Strike: "AMENDING" through "MCA;"

3. Page 2, lines 2 through 5. Strike: lines 2 through 5 in their entirety

4. Page 2, line 8 through page 5, line 22. Strike: section 1 in its entirety Renumber subsequent sections

5. Page 6. Following: line 8

Insert: "(3) The department of administration is directed to provide for construction of the project authorized in this section, which is to be built by the lowest responsible bidder, with contract specifications to allow the use of inmate labor. The percentage of inmate labor must be determined prior to the advertising for bid of the project through negotiations among the department of corrections and human services, the department of administration, representatives of construction industry employers, and representatives of the building trades. Inmate labor shall work in a training or apprenticeship program. If the department rejects all bids, it is authorized to build the project using inmate labor."

-END-

M- Amd. Coord. Sec. of Senate

ing Bill



53rd Legislature Special Session 11/93

64

HB 0004/02

1	HOUSE BILL NO. 4	1	an effective work experience and cost-reduction measure.
2	INTRODUCED BY BENEDICT	2	THEREFORE;-the-begislature-of-the-State-of-Montana-finds
3	BY REQUEST OF THE DEPARTMENT OF CORRECTIONS AND	3	it-is-appropriate-to-amend-section-53-1-3017MCA7forthe
4	HUMAN SERVICES AND THE OFFICE OF BUDGET AND PROGRAM PLANNING	4	purposeofusinginmatelabortoconstructthedairy
5		5	dormitory-at-the-Montana-State-Prison-
б	A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE USE OF	6	
7	INMATE LABOR FOR CONSTRUCTION OF THE DAIRY DORMITORY AT THE	7	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
8	MONTANA STATE PRISON AS AUTHORIZED IN SECTIONS 2 AND 18,	8	Section-1Section-53-1-3017-MCA7-is-amended-to-read:
9	CHAPTER 624, LAWS OF 1993; UNDER CERTAIN CIRCUMSTANCES,	9	*53-1-301Permittedinstitutionalindustriespowers
10	ALLOWING THE PROJECT TO BE EXEMPT FROM PUBLIC BIDDING,	10	of-department;-and-incentive-pay-to-inmates:-(1)Exceptas
11	BONDING, CONTRACTS, WORKERS' COMPENSATION COVERAGE, OR LABOR	11	provided-in-subsection-(4);-the-department-may:
12	AND WAGE REQUIREMENTS; AMENDING-SECTION-53-1-3017-MCA; AND	12	{a}establishindustriesininstitutionsthatwill
13	PROVIDING AN IMMEDIATE EFFECTIVE DATE."	13	resultin-the-production-or-manufacture-of-products-and-the
14		14	rendering-of-services-as-may-be-needed-by-any-departmentor
15	WHEREAS, the Department of Corrections and Human	15	agencyofthestateorany-political-subdivision-of-the
16	Services is trying to expand the number and variety of	16	state ₇ -by-any-agency-of-the-federal-government ₇ -by-any-other
17	productive work experiences for inmates at the Montana State	17	states-or-theirpoliticalsubdivisionsorbynonprofit
18	Prison; and	18	organizationsand-that-will-assist-in-the-rehabilitation-of
19	WHEREAS, the prison ranch is recognized as a productive	19	residents-in-institutions;
20	work site; and	20	<pre>tb)obtain-federalcertificationofspecificprison</pre>
21	WHEREAS, the Department wishes to contribute to	21	industriesprogramsinorder-to-gain-access-to-interstate
22	statewide efforts to balance the budget but is unable to	22	markets-for-prison-industries-products;
23	absorb further operating budget reductions; and	23	<pre>(c)contract-with-privateindustryforthesaleof</pre>
24	WHEREAS, construction of the low-security facility using	24	goodsof-components-manufactured-or-produced-in-shops-under
25	inmate labor as authorized by the 51st Legislature was both	25	its-jurisdiction-and-fortheemploymentofinmatesin
	٨		- 2- UP 4

Linntana Legistative Council

HB 0004/02

REFERENCE BILL

1	federally-certified-prison-industries-programs;
2	<pre>(d)printcatalogsdescribinggoodsmanufactured-or</pre>
3	produced-by-institutions-and-distribute-the-catalogs;
4	<pre>te)fixthesalepriceforgoodsproducedor</pre>
5	manufacturedatinstitutionsPrices-may-not-exceed-prices
6	existing-in-the-open-market-for-goods-of-comparable-guality-
7	(f)require-institutions-to-purchase-needed-goodsfrom
8	other-institutions;
9	(g)providefor-the-repair-and-maintenance-of-property
10	and-equipment-of-institutions-by-residents-of-institutions;
11	{h}provideforconstructionprojects7uptothe
12	aggregate-sum-of-\$257000-per-project7-performed-by-residents
13	ofinstitutions7exceptwhentheconstructionworkis
14	covered-by-a-collective-bargaining-agreement;
15	(i)providefortherepairandmaintenanceatan
16	institution-of-furniture-and-equipment-of-any-state-agency;
17	(j)provideforthemanufacture-at-an-institution-of
18	motor-vehicle-license-plates-and-other-related-articles;
19	<pre>tk;sellmanufacturedoragriculturalproductsand</pre>
20	livestock-on-the-open-market;
21	(1) provide-for-the-manufacture-ataninstitutionof
22	highway7road7and-street-marking-signs-for-the-use-of-the
23	state-or-any-of-its-political-subdivisionsexcept-whenthe
24	manufactureofthesignsis-in-violation-of-a-collective
25	bargaining-contract;

1	(m)pay-an-inmate-or-resident-ofaninstitutionfrom
2	receipts-from-the-sale-of-products-produced-or-manufactured
3	or-services-rendered-in-a-program-inwhichtheinmateor
4	resident-is-working;
5	<pre>tn)collect15%ofthenetwages-paid-to-an-inmate</pre>
6	employed-in-a-federally-certified-prison-industriesprogram
7	fordepositinthe-Montana-crime-victims-compensation-and
8	assistance-account-established-under-53-9-109;-and
9	<pre>to;collect-from-aninmateemployedinafederally</pre>
10	certifiedprisonindustriesprogramcharges-for-room-and
11	board-consistent-with-charges-establishedbythedirector
12	for-inmates-assigned-to-prerelease-centers.
13	{2}{a}-Exceptasprovidedfor-in-subsection-{2}+b+7
14	payment-for-the-performance-of-workmaybebasedonthe
15	following-criteria:
16	ti)knowledge-and-skill;
17	<pre>tii)-attitude-toward-authority;</pre>
18	<pre>tiii)-physical-effort;</pre>
19	(iv)-responsibility-for-equipment-and-materials;-and
20	{v}regard-for-safety-of-others+
21	<pre>(b)Themaximumrate-of-pay-must-be-determined-by-the</pre>
22	appropriation-establishedforeachprogram,exceptthat
23	inmatesemployed-in-a-federally-certified-prison-industries
24	program-must-be-paid-at-a-rate-not-less-than-theratepaid
25	forsimilarwork-in-the-locality-where-the-inmate-performs

-3-

s and the second se

HB 4

-4--

HB 4

HB 0004/02

HB 4

1 the-work-(3)--Premiums-for-workers-compensation-and-occupational 2 disease-coverage-must--be--paid--by--the--prison--industries 3 program--or--by--the--department--of--institutions---if--the 4 department--pays--the--premium;--reimbursement--for--premium 5 payments--for-workers1-compensation-and-occupational-disease 6 coverage-must-be-made--to--the--department--by--the--private 7 company--contracting--with--the--federally--certified-prison 8 industries-program-for-services-and-products-9 t4)--Except-as-provided--in--subsection--(5);--furniture 10 made--in--the--prison--may-be-purchased-by-state-agencies-in 11 accordance-with-the-procurement-provisions-under--Title--187 12 chapter--4-All-other-prison-made-furniture-may-be-sold-only 13 through-licensed-wholesale-or-retail--furniture--outlets--or 14 through-export-firms-for-sale-to-international-markets-15 +5)--Any---state---institution---facility--or--program 16 operated--by--the--department---may---purchase---prison-made 17 furniture--without-complying-with-the-procurement-provisions 18 19 under-Witle-187-chapter-4-(6)--The-department-may-provide-for-the-construction--of 20 the--project--authorized--in--fsection--2]-by-inmates-at-the 21 22 Montana-state-prison-"

ŧ.

23 <u>NEW SECTION.</u> Section 1. Authorization of inmate labor
 24 for designated construction project -- exemptions. (1) The
 25 department of corrections and human services is authorized

-5-

to use inmate labor for the purpose of constructing the
 dairy dormitory at the Montana state prison authorized in
 sections 2 and 18, Chapter 624, Laws of 1993.
 (2) The department of administration may exempt the

5 project authorized in this section from the provisions of 6 any applicable Montana law relating to public bidding, 7 bonding, contracts, workers' compensation coverage, or labor 8 and wage requirements.

9	(3) THE DEPARTMENT OF ADMINISTRATION IS DIRECTED TO
10	PROVIDE FOR CONSTRUCTION OF THE PROJECT AUTHORIZED IN THIS
11	SECTION, WHICH IS TO BE BUILT BY THE LOWEST RESPONSIBLE
12	BIDDER, WITH CONTRACT SPECIFICATIONS TO ALLOW THE USE OF
13	INMATE LABOR. THE PERCENTAGE OF INMATE LABOR MUST BE
14	DETERMINED PRIOR TO THE ADVERTISING FOR BID OF THE PROJECT
15	THROUGH NEGOTIATIONS AMONG THE DEPARTMENT OF CORRECTIONS AND
16	HUMAN SERVICES, THE DEPARTMENT OF ADMINISTRATION,
17	REPRESENTATIVES OF CONSTRUCTION INDUSTRY EMPLOYERS, AND
18	REPRESENTATIVES OF THE BUILDING TRADES. INMATE LABOR SHALL
19	WORK IN A TRAINING OR APPRENTICESHIP PROGRAM. IF THE
20	DEPARTMENT REJECTS ALL BIDS, IT IS AUTHORIZED TO BUILD THE
21	PROJECT USING INMATE LABOR.
22	NEW SECTION. Section 2. Severability. If a part of
23	[this act] is invalid, all valid parts that are severable
24	from the invalid part remain in effect. If a part of [this
25	act] is invalid in one or more of its applications, and the

HB 0004/02

-6-

нв 4

1 part remains in effect in all valid applications that are

.

- 2 severable from the invalid applications.
- 3 <u>NEW SECTION.</u> Section 3. Effective date. [This act] is
- 4 effective on passage and approval.

-End-

1