

House Substitute for SENATE BILL No. 40

AN ACT concerning the secretary of corrections; relating to the prison-made goods act; correctional industries fund; amending K.S.A. 2013 Supp. 75-5275 and 75-5282 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 2013 Supp. 75-5275 is hereby amended to read as follows: 75-5275. (a) The secretary is hereby authorized to purchase in the manner provided by law, equipment, raw materials and supplies, and to employ the supervisory personnel necessary to establish and maintain for this state at each correctional institution, industries for the utilization of services of inmates *or juvenile offenders* in the manufacture or production of such articles or products or in providing such services as authorized by the prison-made goods act of Kansas.

(b)-(1) The secretary is hereby authorized to sell all such articles, products and services to the federal government, any state agency, state employees for their personal use, any local agency, or any organization within the state and, to the extent not prohibited by federal law, to other states.

~~(2) In addition to the persons and entities specified in paragraph (1), the secretary is hereby authorized to sell all such articles, products and services to any individual who is a resident of the state of Kansas and to any business located within the state of Kansas.~~

~~The provisions of this paragraph (2) shall expire on June 30, 2013.~~

(c) The secretary is hereby authorized to contract with a private individual, corporation, partnership or association for work projects involving assembly, processing, fabrication or repair of parts or components for goods or products being manufactured or produced by the contracting party. Any contract authorized by this subsection shall be in compliance with federal law and shall not result in the significant displacement of employed workers in the community. If an inmate *or juvenile offender* receives at least federal minimum wage pursuant to a contract authorized by this subsection, the provisions of K.S.A. 75-5211 and 75-5268, and amendments thereto, for withdrawing amounts from the compensation paid to inmates *or juvenile offenders* shall apply.

(d) The secretary is hereby authorized to contract with a private individual, corporation, partnership or association for work projects involving the repair of real estate damaged by a tenant under the release supervision of the department of corrections.

Sec. 2. K.S.A. 2013 Supp. 75-5282 is hereby amended to read as follows: 75-5282. (a) There is hereby created in the state treasury the correctional industries fund.

(b) All moneys collected by the secretary from the sale or disposition of goods manufactured and services provided under the prison-made goods act shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the correctional industries fund. All the moneys collected and deposited pursuant to this subsection shall be used solely for the purchase of manufacturing supplies, equipment and machinery, for the repair, maintenance and replacement of equipment and machinery, for administrative expenses and as provided in subsection (d).

(c) The balance of all proceeds from the lease of agricultural land at a correctional institution, after payment of the expenses of the lease from such proceeds, shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the correctional industries fund.

(d) Any unencumbered moneys in the correctional industries fund may be expended for capital improvement projects for the renovation or repair of existing buildings or facilities or for the construction or acquisition of building or facilities for correctional industries as provided in K.S.A. 75-5281 and 75-5288, and amendments thereto. Such capital improvement projects shall not be subject to the requirements to prepare and submit capital improvement budget estimates as provided in K.S.A. 75-3717b, and amendments thereto. Prior to commencement of a capital improvement project, the director of Kansas correctional industries shall

advise and consult with the joint committee on state building construction concerning such capital improvement projects.

(e) *Moneys in the correctional industries fund may be used for purchase of workers compensation insurance for inmates assigned to a duly certified prison industry enhancement certification program (PIECP) customer model industry owned and operated by Kansas correctional industries pursuant to 18 U.S.C. § 1761 and K.S.A. 75-5275, and amendments thereto. Subject to PIECP wage-level requirements, such inmates shall otherwise be considered to be in the same status as inmates assigned to a traditional industries program operated by Kansas correctional industries. Such inmates shall not be regarded as state employees for any purpose under state law.*

Sec. 3. K.S.A. 2013 Supp. 75-5275 and 75-5282 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the
SENATE, and passed that body

SENATE concurred in
HOUSE amendments _____

President of the Senate.

Secretary of the Senate.

Passed the HOUSE
as amended _____

Speaker of the House.

Chief Clerk of the House.

APPROVED _____

Governor.