



1997 ASSEMBLY BILL 803

February 19, 1998 - Introduced by Representatives RILEY, BOCK, LA FAVE, BAUMGART, BLACK, PLOUFF, J. LEHMAN, MURAT, NOTESTEIN, L. YOUNG, SPRINGER, HANSON, BOYLE, R. POTTER, TRAVIS and BALDWIN, cosponsored by Senators MOEN, BURKE and MOORE. Referred to Committee on Corrections Facilities.

1 **AN ACT to amend** 20.410 (1) (hm), 303.01 (2) (em) and 303.015 (1) (b); and **to**
2 **create** 303.01 (5m) and 303.015 (1) (dm) of the statutes; **relating to:** the
3 authority of the prison industries board and regulations affecting contracts for
4 the lease of space in correctional institutions to private businesses and granting
5 rule-making authority.

Analysis by the Legislative Reference Bureau

Under current law, the department of corrections (DOC) is authorized to lease space in correctional institutions under its administration to not more than 6 private businesses to employ prison inmates and institution residents to manufacture products or components or to provide services for sale on the open market. This bill provides that, if DOC enters into a contract that requires DOC to purchase equipment for use by a private business that leases space, the contract must require that the private business purchase the equipment from DOC and pay DOC the full cost of the equipment, plus interest, before the end of the contract. In addition, the bill provides that DOC may not enter into any contract with a private business to lease space if DOC determines that the contract will result in the displacement of employed workers who are not prison inmates or institution residents. Under the bill, DOC is required to promulgate rules defining "displacement".

Under current law, the prison industries board, attached to DOC, is responsible for overseeing DOC's prison industries program and is required to approve any establishment or permanent closure of a prison industry. This bill provides that no

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prison industry may be expanded, including any expansion relating to the scope of products produced or the prison industry location, as well as established or permanently closed without the approval of the prison industries board. Under the bill, before approving the establishment or expansion of any prison industry, the prison industries board is required to conduct a public hearing.

Finally, the bill provides that the prison industries board is authorized to suspend the manufacture or sale of any product or component or the provision of any service by prison industries or by a private business leasing space in a correctional institution.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.410 (1) (hm) of the statutes, as created by 1997 Wisconsin Act
2 27, is amended to read:

3 20.410 (1) (hm) *Private business employment of inmates and residents.* The
4 amounts in the schedule for the establishment and operation of the program under
5 s. 303.01 (2) (em). All moneys received under contracts entered into by the
6 department of corrections under s. 303.01 (2) (em) shall be credited to this
7 appropriation account. No expenditure may be made from this appropriation for the
8 construction of buildings or purchase of equipment for the program under s. 303.01
9 (2) (em), except upon approval of the joint committee on finance after a determination
10 that the moneys are needed.

11 **SECTION 2.** 303.01 (2) (em) of the statutes, as affected by 1997 Wisconsin Act
12 27, is amended to read:

13 303.01 (2) (em) ~~Lease~~ Subject to sub. (5m), lease space, with or without
14 equipment, within the precincts of state prisons, as specified in s. 302.02, or within
15 the confines of correctional institutions operated by the department for holding in
16 secure custody persons adjudged delinquent, to not more than 6 private businesses

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1 to employ prison inmates and institution residents to manufacture products or
2 components or to provide services for sale on the open market. The department shall
3 comply with s. 16.75 in selecting businesses under this paragraph. The department
4 may enter into a contract under this paragraph only with the approval of the joint
5 committee on finance. The department shall consult with appropriate trade
6 organizations and labor unions prior to issuing requests for proposals and prior to
7 selecting proposals under this paragraph. If the department enters into a contract
8 that requires the department to purchase equipment for use by a private business
9 that leases space under this paragraph, the contract shall provide that the private
10 business purchase the equipment from the department and pay the department the
11 full cost of the equipment, plus interest, before the end of the contract under which
12 the private business leases space. Each such private business may conduct its
13 operations as a private business, subject to the wage standards under sub. (4), the
14 disposition of earnings under sub. (8), the requirements for notification and hearing
15 under sub. (1) (c), the requirement for prison industries board approval under s.
16 303.015 (1) (b), the authority of the prison industries board under s. 303.015 (1) (dm)
17 to suspend the manufacture, provision or sale of a product or service and the
18 authority of the department to maintain security and control in its institutions. The
19 private business and its operations are not a prison industry. Inmates employed by
20 the private business are not subject to the requirements of inmates participating in
21 prison industries, except as provided in this paragraph;

22 **SECTION 3.** 303.01 (5m) of the statutes is created to read:

23 303.01 **(5m)** DISPLACEMENT. (a) In this subsection, “displacement” shall have
24 the meaning provided in rules promulgated by the department.

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1 (b) Beginning on the effective date of this paragraph [revisor inserts date],
2 the department may not enter into any contract with a private business under sub.
3 (2) (em) if the department determines that the contract will result in the
4 displacement of employed workers who are not prison inmates or institution
5 residents.

6 **SECTION 4.** 303.015 (1) (b) of the statutes is amended to read:

7 303.015 (1) (b) 1. The board shall develop a plan containing recommendations
8 for the manufacture and marketing of prison industries products, the provision of
9 prison industries services and the provision of research and development activities.
10 Whenever feasible, the plan shall include research activities with a facility involved
11 in the cocomposting of solid waste and sludge from wastewater treatment facilities.
12 The plan may include, but is not limited to, recommended market research, product
13 modifications, manufacturing techniques, pricing policies, advertising and
14 elimination or establishment of specific industries or products.

15 2. No prison industry may be established, expanded, including any expansion
16 relating to the scope of products produced or the prison industry location, or
17 permanently closed without the approval of the board. Before approving the
18 establishment or expansion of any prison industry, the board shall conduct a hearing.
19 The board shall provide for a class 2 notice, under ch. 985, of the hearing in the
20 newspaper designated as the official newspaper of the county and the city, village or
21 town in which the affected correctional institution is located or, if there is no
22 designated official newspaper, a newspaper published or having general circulation
23 in the political subdivision and eligible under s. 985.02 to be an official newspaper.

24 **SECTION 5.** 303.015 (1) (dm) of the statutes is created to read:

