

AMENDED IN ASSEMBLY JUNE 9, 2011

AMENDED IN ASSEMBLY JUNE 7, 2011

SENATE BILL

No. 608

**Introduced by Senator DeSaulnier
(Coauthor: Senator Hancock)**

February 17, 2011

An act to amend Section 2807 of the Penal Code, relating to the Prison Industry Authority.

LEGISLATIVE COUNSEL'S DIGEST

SB 608, as amended, DeSaulnier. Prison Industry Authority: nonprofit organizations: prison-made goods.

Existing law establishes the Prison Industry Authority and authorizes it to operate industrial, agricultural, and service enterprises which will provide products and services needed by the state, or any political subdivision of the state, or by the federal government, or any department, agency, or corporation of the federal government, or for any other public use. Existing law provides that all things authorized to be produced by the authority shall be purchased by the state, and may be purchased by local governments, to offer for sale to persons residing in state-operated institutions, at the prices fixed by the authority.

Under existing law, it is unlawful for any person to sell, expose for sale, or offer for sale, any article manufactured by prison labor, except articles the sale of which is specifically sanctioned by law.

This bill would provide that all products and services provided by the authority may be offered for sale to a tax-exempt nonprofit organization, provided that the products and services are provided to public school students at no cost and the nonprofit organization has

entered into a memorandum of understanding with a local education agency, *as defined*.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 2807 of the Penal Code is amended to
2 read:

3 2807. (a) The authority is hereby authorized and empowered
4 to operate industrial, agricultural, and service enterprises which
5 will provide products and services needed by the state, or any
6 political subdivision thereof, or by the federal government, or any
7 department, agency, or corporation thereof, or for any other public
8 use. Products may be purchased by state agencies to be offered
9 for sale to inmates of the department and to any other person under
10 the care of the state who resides in state-operated institutional
11 facilities. Fresh meat may be purchased by food service operations
12 in state-owned facilities and sold for onsite consumption.

13 (b) All things authorized to be produced under subdivision (a)
14 shall be purchased by the state, or any agency thereof, and may
15 be purchased by any county, city, district, or political subdivision,
16 or any agency thereof, or by any state agency to offer for sale to
17 persons residing in state-operated institutions, at the prices fixed
18 by the Prison Industry Authority. State agencies shall make
19 maximum utilization of these products, and shall consult with the
20 staff of the authority to develop new products and adapt existing
21 products to meet their needs.

22 (c) All products and services provided by the authority may be
23 offered for sale to a nonprofit organization, provided that all of
24 the following conditions are met:

25 (1) The nonprofit organization is located in California and is
26 exempt from taxation under Section 501(c)(3) of Title 26 of the
27 United States Code.

28 (2) The nonprofit organization has entered into a memorandum
29 of understanding with a local education ~~agency as defined in~~
30 ~~subdivision (e) of Section 54743 of the Education Code.~~ *agency.*
31 *As used in this section, "local education agency" means a school*
32 *district, county office of education, state special school, or charter*
33 *school.*

- 1 (3) The products and services are provided to public school
- 2 students at no cost to the students or their families.

O