

STORAGE NAME: h1429.cor

DATE: March 10, 2000

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
COMMITTEE ON CORRECTIONS
ANALYSIS**

BILL #: HB 1429

RELATING TO: Prison Industries Trust Fund

SPONSOR(S): Representative Peaden

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) COMMITTEE ON CORRECTIONS
- (2) CRIMINAL JUSTICE APPROPRIATIONS
- (3)
- (4)
- (5)

I. SUMMARY:

House Bill 1429 would create the Prison Industries Trust Fund to receive moneys appropriated by the Legislature and moneys deposited by the Prison Rehabilitative Industries and Diversified Enterprises, Inc. (PRIDE) which are generated as a result of Prison Industry Enhancement (PIE) programs. The trust fund would be administered by the Department of Banking and Finance, and it would be exempt from termination under s. 19(f)(3), Article III of the Florida Constitution and from the service charges imposed by s. 215.20, F.S. The bill would also amend s. 946.512, F.S., to permit PRIDE to pay certain revenues to the Prison Industries Trust Fund.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|-----------------------------------------|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

In 1994, the Legislature authorized the department to participate in the federal Prison Industry Enhancement (PIE) program, which allows private sector businesses to operate inside the prisons and employ inmates. In March 1995, the U.S. Department of Justice approved the department as the certified agency responsible for designating PIE programs in this state. In 1999, in Chapter 99-260, Laws of Florida, the Legislature transferred the oversight and certificate for PIE programs to PRIDE. On May 27, 1999, the Bureau of Justice Administration approved of PRIDE as the certificate holder. All contracts for PIE programs, including those intending to be operated by PRIDE, must receive the approval of the state department of corrections.

In all of the states which have PIE programs, a portion of PIE revenues are deposited to a trust fund to receive PIE revenues. The State of Florida does not presently have such a trust fund, and prior to FY 1999 - 2000, PRIDE deposited a portion of its PIE revenues and its voluntary contributions to the department's Correctional Work Program Trust Fund. Deposits are no longer made to this trust fund.

C. EFFECT OF PROPOSED CHANGES:

Section 946.522, F.S., would establish a new trust fund, the Prison Industries Trust Fund, to be administered by the Department of Banking and Finance. The funds within this trust fund may only be withdrawn by the Comptroller upon receipt of a corporate resolution from the board of directors of PRIDE. The funds would be used for expenditures by PRIDE for the construction or renovation of facilities or for the expansion or establishment of correctional work programs or PIE programs.

The trust fund would be exempt from:

- the service charge on trust funds imposed by s. 215.20, F.S.;
- the requirement that balances remaining undisbursed revert to the fund from which appropriated; and
- termination under s. 19(f)(2), Article III of the Florida Constitution.

Section 2 of the bill would allow revenues previously paid by PRIDE after the effective date of the Act to be deposited to the Prison Industries Trust Fund.

D. SECTION-BY-SECTION ANALYSIS:

This section need be completed only in the discretion of the Committee.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

No portion of PIE revenues is currently being paid to a state trust fund. The revenues previously paid to the Correctional Work Program Trust Fund will now be paid to the Prison Industries Trust Fund.

2. Expenditures:

If enacted into law, this bill will permit expenditures to establish and enhance PIE programs and traditional work programs made by PRIDE from the Prison Industries Trust Fund, based upon appropriations from the Trust Fund, from revenues contributed by PRIDE from PIE programs, and from voluntary contributions from PRIDE upon passage of a corporate resolution. No general revenue is involved.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Private sector businesses participating in PIE programs can be expected to be positively impacted by creation, renovation, or expansion of PIE facilities.

D. FISCAL COMMENTS:

N/A

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

N/A

B. REDUCTION OF REVENUE RAISING AUTHORITY:

N/A

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

N/A

STORAGE NAME: h1429.cor

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PAGE 4

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON COMMITTEE ON CORRECTIONS:

Prepared by:

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Jo Ann Levin

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