

FEB 15 2006
Place On Calendar

HOUSE FILE 2415
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO HF 377)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act restricting sales of Iowa prison industries products to
2 Iowans.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HF 2415

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1 Section 1. Section 904.815, Code 2005, is amended to read
2 as follows:

3 904.815 SALE OF PRODUCTS.

4 1. Iowa state industries may produce and sell products to
5 any tax-supported institution or governmental subdivision in
6 any level of government which includes the state, county,
7 city, or school corporation that is located in Iowa. Iowa
8 state industries may sell products to employees of those
9 entities who reside in Iowa.

10 2. Iowa state industries may sell products to nonprofit
11 organizations that are located in Iowa, including parochial
12 schools, churches, or fraternal organizations.

13 3. Iowa state industries may sell products to nonprofit
14 health care facilities serving Medicaid or social security
15 patients that are located in Iowa.

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EXPLANATION

17 This bill provides that Iowa state prison industries can
18 sell products only to governments and schools and their
19 employees, nonprofit organizations, and nonprofit health care
20 facilities that are located in Iowa.

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Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 2415 – Prison Industries – Iowa Sales (LSB 6497 HV)
Analyst: Beth Lenstra (Phone: (515) (281-6301) (beth.lenstra@legis.state.ia.us)
Fiscal Note Version – New
Requested by Representative George Eichhorn

Description

House File 2415 provides that Iowa Prison Industries can no longer sell products outside the State of Iowa.

Background

1. Iowa Prison Industries is self-funded and operates without General Fund support.
2. Iowa Prison Industries generated a profit of \$401,000 from \$19.6 million in sales in FY 2005.
3. Out-of-state sales were approximately \$717,000 in FY 2005, or 3.7% of total sales. While this is a small percentage of total sales, out-of-state sales is a growing market for Iowa Prison Industries.
4. Thirty states permit Prison Industries to sell out-of-state.

Assumption

Any restriction on product sales has a potential negative fiscal impact on the operations of Iowa Prison Industries.

Fiscal Impact

The restriction imposed under HF 2415 may have a negative impact on the long-term financial stability of Iowa Prison Industries.

Source

Iowa Department of Corrections, Iowa Prison Industries Division

/s/ Holly M. Lyons

February 20, 2006

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
