

## **BILL ANALYSIS**

C.S.H.B. 1810  
By: Giddings  
Corrections  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties note that the purpose of Texas Correctional Industries, which functions as a department within the Texas Department of Criminal Justice (TDCJ), is to provide offenders with marketable job skills to help reduce recidivism and to reduce TDCJ's costs. To meet these objectives, Texas Correctional Industries programs train and employ numerous incarcerated offenders to manufacture goods and perform services to sell to governmental entities. These parties contend that the current authorization to sell goods and services to governmental agencies is too restrictive, prohibiting sale in the open market to private businesses. According to a recent study, these restrictions impede these programs from achieving their full potential. C.S.H.B. 1810 seeks to address this issue by allowing Texas Correctional Industries to contract with additional customers.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Board of Criminal Justice in SECTION 3 of this bill.

### **ANALYSIS**

C.S.H.B. 1810 amends the Government Code to include among the entities with whom the Texas Department of Criminal Justice (TDCJ) is authorized to contract a private vendor that contracts with TDCJ to manufacture for or sell to the vendor prison-made articles or products and an employee or retired employee of a state agency to sell to that employee or retired employee prison-made articles or products. The bill defines a state agency by reference to mean a department, commission, board, office, or other agency that is in the executive or legislative branch of state government and that was created by the state constitution or a state statute, including an institution of higher education, or the Texas Supreme Court, the Texas Court of Criminal Appeals, a court of appeals, or the Texas Judicial Council or another agency in the judicial branch of state government.

C.S.H.B. 1810 requires the Texas Board of Criminal Justice to adopt rules and develop best practices governing the purchase of prison-made articles and products by a private vendor that contracts with TDCJ, provided that the articles and products are shipped or used only in Texas and not resold or transferred to another facility in Texas that is not operating under a contract with TDCJ at the time of the transfer and that Texas Correctional Industries does not sell articles and products to a private vendor that currently purchases the articles or products from a private business with its primary place of business in Texas. The bill requires the board, for the purpose of verifying compliance with statutory provisions governing the purchase of prison-made articles

and products, to require such a private vendor to identify the businesses with whom the vendor currently purchases the same or similar items for the preceding 12 months before placing an order with Texas Correctional Industries and to report any savings realized by that private vendor to the legislature in TDCJ's annual fiscal year review. The bill requires the board to adopt rules governing the purchase of prison-made articles and products by an employee or retired employee of a state agency. The bill requires the rules to provide that articles and products are authorized to be shipped and used only in Texas and not resold. The bill requires the board, in adopting the rules, to determine the articles and products available for purchase, the minimum quantity or price of an order, the delivery and production schedule, and any other factors relevant to ensuring that Texas Correctional Industries is not impeded in effectively selling prison-made articles or products.

C.S.H.B. 1810 requires Texas Correctional Industries to send copies of its catalogs describing prison-made articles and products it prepares to private vendors that contract with TDCJ and to employees and retired employees of state agencies.

C.S.H.B. 1810 requires TDCJ to adopt rules required by the bill's provisions not later than August 31, 2016.

### **EFFECTIVE DATE**

September 1, 2015.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 1810 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

#### INTRODUCED

SECTION 1. Section 497.021, Government Code, is amended.

SECTION 2. Section 497.022, Government Code, is amended.

SECTION 3. Section 497.025, Government Code, is amended by adding Subsections (d) and (e) to read as follows:

(d) The board shall adopt rules and develop best practices governing the purchase of articles and products under this subchapter by a private vendor that contracts with the department under Chapter 495, provided that:

(1) the articles and products may be shipped or used only in this state and may not be resold; and

(2) the office may not sell articles and

#### HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Same as introduced version.

SECTION 2. Same as introduced version.

SECTION 3. Section 497.025, Government Code, is amended by adding Subsections (d), (e), and (f) to read as follows:

(d) The board shall adopt rules and develop best practices governing the purchase of articles and products under this subchapter by a private vendor that contracts with the department under Chapter 495, provided that:

(1) the articles and products may be shipped or used only in this state and may not be resold or transferred to another facility in this state that is not operating under a contract with the department at the time of the transfer; and

(2) the office may not sell articles and

products to a private vendor if the private vendor currently purchases the articles or products from a private business that has its primary place of business in this state.

(e) The board shall adopt rules governing the purchase of articles and products under this subchapter by an employee or retired employee of a state agency, as defined by Section 2052.101. The rules must provide that articles and products may be shipped and used only in this state and may not be resold. In adopting the rules, the board shall determine:

- (1) the articles and products available for purchase;
- (2) the minimum quantity or price of an order;
- (3) the delivery and production schedule; and
- (4) any other factors relevant to ensuring that the office is not impeded in effectively meeting the purposes of this subchapter.

SECTION 4. Section 497.028, Government Code, is amended.

SECTION 5. Not later than August 31, 2016, the Texas Department of Criminal Justice shall adopt rules as required by Sections 497.025(d) and (e), Government Code, as added by this Act.

SECTION 6. This Act takes effect September 1, 2015.

products to a private vendor if the private vendor currently purchases the articles or products from a private business that has its primary place of business in this state.

(e) The board shall:

(1) for the purpose of verifying compliance with this subchapter, require a private vendor described by Subsection (d) to identify the businesses with whom the vendor currently purchases the same or similar items for the preceding 12 months before placing an order with the office; and

(2) report any savings realized by a private vendor described by Subsection (d) under this subchapter to the legislature in the department's annual fiscal year review.

(f) The board shall adopt rules governing the purchase of articles and products under this subchapter by an employee or retired employee of a state agency, as defined by Section 2052.101. The rules must provide that articles and products may be shipped and used only in this state and may not be resold. In adopting the rules, the board shall determine:

- (1) the articles and products available for purchase;
- (2) the minimum quantity or price of an order;
- (3) the delivery and production schedule; and
- (4) any other factors relevant to ensuring that the office is not impeded in effectively meeting the purposes of this subchapter.

SECTION 4. Same as introduced version.

SECTION 5. Same as introduced version.

SECTION 6. Same as introduced version.