

FEB 25 1989

Place On Calendar

HOUSE FILE 432

BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 91)

Passed House, Date 3-7-89 (p.677) Passed Senate, Date 4-10-89 (p.1266)

Vote: Ayes 94 Nays 0 Vote: Ayes 39 Nays 11

Approved _____

A BILL FOR

1 An Act relating to canteen funds under the authority of the
2 director of the department of corrections.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HOUSE FILE 432

H-3278

1 Amend House File 432 as follows:

2 1. Page 1, by inserting after line 20 the
3 following:

4 "Sec. ____ . REPORTS ON CANTEEN FUNDS. For each
5 institution of the state at which a canteen is
6 operated, the receipts and disbursements of the
7 canteen fund shall be reported annually to the co-
8 chairpersons and ranking minority members of the
9 appropriate appropriations subcommittee. Reports for
10 canteens at institutions within the departments of
11 corrections and human resources shall be made by the
12 directors of the respective departments. Reports for
13 canteens at other institutions, including the
14 university of Iowa hospitals and clinics, shall be
15 made by the administrative heads of the respective
16 institutions."

17 2. Title page, lines 1 and 2, by striking the
18 words "under the authority of the director of the
19 department of corrections" and inserting the
20 following: "at state institutions".

21 3. By renumbering as necessary.

By HAMMOND of Story

H-3278 FILED MARCH 2, 1989

NOT GENUINE. 3-7-89 (p.676)

HF 432

1 Section 1. Section 246.310, Code 1989, is amended to read
2 as follows:

3 246.310 CANTEENS.

4 The director may maintain a canteen at any institution
5 under the director's jurisdiction for the sale to persons
6 confined in the institution of items such as toilet articles,
7 candy, tobacco products, notions, and other sundries, and may
8 provide the necessary facilities, equipment, personnel, and
9 merchandise for the canteen. The director shall specify the
10 items to be sold in the canteen. The department may establish
11 and maintain a permanent operating fund for each canteen. The
12 fund shall consist of the receipts from the sale of
13 commodities at the canteen and any interest earned on the
14 fund. Any money in the fund over the amount needed to do
15 normal business transactions, and to reimburse any accounts
16 which have subsidized the canteen fund, shall be considered
17 profit. This money may remain in the canteen fund and be used
18 for any purchase which the superintendent approves that will
19 directly and collectively benefit the inmates ~~during their~~
20 incarceration of the institution.

306-

21 EXPLANATION

22 This bill provides that interest earned on moneys in a
23 prison institution's canteen fund is considered part of the
24 fund. The bill allows the director to use the fund for the
25 direct and collective benefit of the inmates of the
26 institution.

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HOUSE FILE 432
FISCAL NOTE

A fiscal note for HOUSE FILE 432 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 432 concerns the Department of Corrections' canteen funds at the Institutions. The canteen fund is a self-sustaining revolving fund designed to provide inmates the opportunity to purchase personal items and necessities. Currently, the interest generated from the canteen fund is deposited in the General Fund.

House File 432 allows the interest earned from the canteen fund to remain in the canteen fund. It also clarifies how profits may be used, i.e., for the benefit of the general population rather than the individual inmate.

Assumptions

1. The current balance in the canteen fund will remain static.
2. The interest rate is 8%.

Fiscal Effect

House File 432 would reduce General Fund revenue by approximately \$2,280 per year.

Source: Department of Corrections

(LSB 1276hv, BAL)

FILED MARCH 6, 1989

BY DENNIS PROUTY, FISCAL DIRECTOR

HSB 91

STATE GOVERNMENT

1600

HOUSE FILE

432

BY (PROPOSED DEPARTMENT OF
CORRECTIONS BILL)

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to canteen funds under the authority of the
2 director of the department of corrections.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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11 and maintain a permanent operating fund for each canteen. The
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17 profit. This money may remain in the canteen fund and be used
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19 directly and collectively benefit the inmates during their
20 incarceration of the institution.

21 EXPLANATION

22 This bill provides that interest earned on moneys in a
23 prison institution's canteen fund is considered part of the
24 fund. The bill allows the director to use the fund for the
25 direct and collective benefit of the inmates of the
26 institution.

27 BACKGROUND STATEMENT

28 SUBMITTED BY THE AGENCY

29 The purpose of this bill is to clarify what moneys make up
30 the canteen fund and how the profits may be used. The canteen
31 fund is a self-sustaining revolving fund designed to provide
32 inmates the opportunity to purchase personal items and
33 necessities. The canteens are operated without cost to the
34 institutions with moneys generated by inmate purchases. The
35 department believes that the interest generated by the money

1 in the canteen fund should also be retained in the fund and
2 used to benefit the inmates as are the profits from sales.

3 This bill is also intended to clarify how profits in the
4 canteen fund are used. It has been the practice to use such
5 profits to purchase items that will benefit the inmate
6 population as a whole such as recreational equipment and
7 library materials. Recently this practice has been questioned
8 and the suggestion made that each inmate should individually
9 benefit from their contribution to the fund. This approach to
10 disbursal of the fund profits would create bookkeeping
11 nightmares as well as diluting the benefits received by
12 inmates.

13 The department believes that the proposed language will
14 clarify these issues and direct the use of the canteen fund in
15 manner that will benefit all inmates.

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HOUSE FILE 432

AN ACT
RELATING TO CANTEEN FUNDS UNDER THE AUTHORITY OF THE DIRECTOR
OF THE DEPARTMENT OF CORRECTIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 246.310, Code 1989, is amended to read
as follows:

246.310 CANTEENS.

The director may maintain a canteen at any institution under the director's jurisdiction for the sale to persons confined in the institution of items such as toilet articles, candy, tobacco products, notions, and other sundries, and may provide the necessary facilities, equipment, personnel, and merchandise for the canteen. The director shall specify the items to be sold in the canteen. The department may establish and maintain a permanent operating fund for each canteen. The fund shall consist of the receipts from the sale of commodities at the canteen and any interest earned on the fund. Any money in the fund over the amount needed to do normal business transactions, and to reimburse any accounts which have subsidized the canteen fund, shall be considered profit. This money may remain in the canteen fund and be used

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 432, Seventy-third General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved May 8, 1989

TERRY E. BRANSTAD
Governor

HF 432