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By: **Chairman, Judicial Proceedings Committee (By Request -  
Departmental - Public Safety and Correctional Services)**

Introduced and read first time: January 19, 2005

Rules suspended

Assigned to: Judicial Proceedings

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Committee Report: Favorable

Senate action: Adopted

Read second time: February 16, 2005

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Correctional Services - State Use Industries - Renaming**

3 FOR the purpose of renaming State Use Industries to be Maryland Correctional  
4 Enterprises; altering the title of a certain position; and generally relating to  
5 State Use Industries.

6 BY repealing and reenacting, with amendments,  
7 Article - Correctional Services  
8 Section 3-501 through 3-503, 3-505 through 3-518, 3-520, 3-521, 3-524  
9 through 3-526, 3-528, and 10-308(d)  
10 Annotated Code of Maryland  
11 (1999 Volume and 2004 Supplement)

12 BY repealing and reenacting, without amendments,  
13 Article - Correctional Services  
14 Section 3-504, 3-519, 3-522, 3-523, and 3-527  
15 Annotated Code of Maryland  
16 (1999 Volume and 2004 Supplement)

17 BY repealing and reenacting, with amendments,  
18 Article - Criminal Procedure  
19 Section 11-1002(c)  
20 Annotated Code of Maryland  
21 (2001 Volume and 2004 Supplement)

1 BY repealing and reenacting, with amendments,  
2 Article - Labor and Employment  
3 Section 9-221(a)  
4 Annotated Code of Maryland  
5 (1999 Replacement Volume and 2004 Supplement)

6 BY repealing and reenacting, with amendments,  
7 Article - State Finance and Procurement  
8 Section 14-103  
9 Annotated Code of Maryland  
10 (2001 Replacement Volume and 2004 Supplement)

11 BY repealing and reenacting, with amendments,  
12 Article - State Government  
13 Section 2-1221(a)  
14 Annotated Code of Maryland  
15 (2004 Replacement Volume)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - Correctional Services**

19 3-501.

20 (a) In this subtitle the following words have the meanings indicated.

21 (b) "Management Council" means the [State Use Industries] MARYLAND  
22 CORRECTIONAL ENTERPRISES Management Council.

23 (c) "Contracting unit" means a unit of State government that is:

24 (1) authorized to contract for goods and services; or

25 (2) responsible for procurement of goods and services.

26 (d) ["General Manager"] "CHIEF EXECUTIVE OFFICER" means the [General  
27 Manager] CHIEF EXECUTIVE OFFICER of [State Use Industries] MARYLAND  
28 CORRECTIONAL ENTERPRISES.

29 (e) "Political subdivision" means a county, municipal corporation, or special  
30 taxing district.

31 3-502.

32 The purpose of this subtitle is to establish a [State Use Industries] MARYLAND  
33 CORRECTIONAL ENTERPRISES organization in the Division that:

1 (1) is financially self-supporting, generates revenue for its operations  
2 and capital investments, and reimburses the Division at a reasonable rate for services  
3 exchanged between the Division and [State Use Industries] MARYLAND  
4 CORRECTIONAL ENTERPRISES;

5 (2) provides meaningful work experiences for inmates that are intended  
6 to allow inmates to improve work habits, attitudes, and skills for the purpose of  
7 improving the employability of the inmates on release;

8 (3) seeks to develop industries that provide full-time work experience or  
9 rehabilitation programs for all eligible inmates;

10 (4) operates correctional industries in an environment that resembles as  
11 closely as possible the environment of private sector business operations; and

12 (5) makes the Division responsible for and accountable to the Secretary  
13 and the Governor for the [State Use Industries] MARYLAND CORRECTIONAL  
14 ENTERPRISES program.

15 3-503.

16 There is a [State Use Industries] MARYLAND CORRECTIONAL ENTERPRISES  
17 organization in the Division.

18 3-504.

19 The Division may exercise any authority necessary to perform properly any of  
20 its duties or functions under this subtitle.

21 3-505.

22 The Secretary shall appoint a [General Manager] CHIEF EXECUTIVE OFFICER  
23 with the approval of the Management Council.

24 3-506.

25 (a) (1) The [General Manager] CHIEF EXECUTIVE OFFICER:

26 (i) shall determine the personnel requirements of [State Use  
27 Industries] MARYLAND CORRECTIONAL ENTERPRISES; and

28 (ii) is the appointing authority for all personnel of [State Use  
29 Industries] MARYLAND CORRECTIONAL ENTERPRISES.

30 (2) The number of positions for [State Use Industries] MARYLAND  
31 CORRECTIONAL ENTERPRISES shall be included within the total personnel allocations  
32 provided for the Department.

33 (b) Except as provided in subsection (c) of this section or any other law, each  
34 position in [State Use Industries] MARYLAND CORRECTIONAL ENTERPRISES is a  
35 special appointment in the State Personnel Management System.

1 (c) Unless the employee is a special appointment, each office clerk and office  
2 secretary position in [State Use Industries] MARYLAND CORRECTIONAL  
3 ENTERPRISES is in the skilled service employment category of the State Personnel  
4 Management System.

5 3-507.

6 (a) The Department shall include the budget for [State Use Industries]  
7 MARYLAND CORRECTIONAL ENTERPRISES in the Department's budget.

8 (b) (1) [State Use Industries] MARYLAND CORRECTIONAL ENTERPRISES  
9 may establish a revolving fund to contain an amount that the Treasurer approves.

10 (2) (i) For each of fiscal years 2006 through 2009, the first \$1,000,000  
11 in the revolving fund in excess of the amount required to operate [State Use  
12 Industries] MARYLAND CORRECTIONAL ENTERPRISES shall be transferred to a  
13 special fund to be used by the State Department of Education for the operation of  
14 educational programs in correctional institutions.

15 (ii) Money from the revolving fund shall supplement and may not  
16 supplant funding for the operation of educational programs in correctional  
17 institutions.

18 (3) The revolving fund may be used for general operating expenses and  
19 the purchase of capital assets.

20 (4) The revolving fund established under paragraph (1) of this subsection  
21 is not subject to § 7-302 of the State Finance and Procurement Article

22 (5) [State Use Industries] MARYLAND CORRECTIONAL ENTERPRISES  
23 shall submit an annual statement to the Comptroller and the Treasurer that provides  
24 an accurate detailed accounting of all receipts and disbursements from the revolving  
25 fund.

26 (c) General Fund money may be appropriated to [State Use Industries]  
27 MARYLAND CORRECTIONAL ENTERPRISES to be used for the direct expenses of  
28 training inmates.

29 3-508.

30 (a) The Division shall:

31 (1) formulate an accounting and record system that at all times indicates  
32 the source, nature, and extent of [State Use Industries'] purchases and sales OF  
33 MARYLAND CORRECTIONAL ENTERPRISES; and

34 (2) maintain accounting records and prepare financial statements in  
35 accordance with generally accepted accounting principals for enterprise fund type  
36 activities.

1 (b) The financial statements required under subsection (a)(2) of this section  
2 shall be prepared and available for audit purposes not later than 60 days after the  
3 close of each fiscal year.

4 3-509.

5 (a) Annually, the Division shall submit a complete financial and operational  
6 report of [State Use Industries] MARYLAND CORRECTIONAL ENTERPRISES and the  
7 [State Use Industries] MARYLAND CORRECTIONAL ENTERPRISES revolving fund to:

8 (1) the Governor;

9 (2) the Secretary; and

10 (3) the Secretary of Budget and Management.

11 (b) The report required under subsection (a) of this section shall:

12 (1) be in the same general form as a report by the Division on its  
13 operations and programs; and

14 (2) include information about present and projected personnel and  
15 compensation requirements of [State Use Industries] MARYLAND CORRECTIONAL  
16 ENTERPRISES.

17 (c) The Governor, the Secretary, and the Secretary of Budget and  
18 Management may include data from the report submitted under this section in the  
19 preparation of the budget and capital improvement bill.

20 3-510.

21 (a) The Legislative Auditor shall conduct audits of [State Use Industries]  
22 MARYLAND CORRECTIONAL ENTERPRISES in accordance with Title 2, Subtitle 12,  
23 Part IV of the State Government Article.

24 (b) The Legislative Auditor shall advise officials of [State Use Industries]  
25 MARYLAND CORRECTIONAL ENTERPRISES of the frequency of audits to be conducted.

26 (c) [State Use Industries] MARYLAND CORRECTIONAL ENTERPRISES shall  
27 bear the cost of the fiscal portion of a post audit examination.

28 3-511.

29 The Commissioner and [General Manager] CHIEF EXECUTIVE OFFICER may  
30 develop programs to provide services or produce goods used by:

31 (1) units of State government;

32 (2) political subdivisions of the State;

33 (3) units of the federal government;

1 (4) units of other states; or

2 (5) political subdivisions of other states.

3 3-512.

4 (a) In accordance with subsection (b) of this section and after consulting with  
5 the Department of General Services, other contracting units, and political  
6 subdivisions, the Division and [State Use Industries] MARYLAND CORRECTIONAL  
7 ENTERPRISES shall establish uniform standards for quality, quantity, style, design,  
8 delivery, scheduling, and pricing.

9 (b) (1) The uniform standards developed under subsection (a) of this section  
10 shall be designed to reflect planned and forecasted product lines and production  
11 operations of [State Use Industries] MARYLAND CORRECTIONAL ENTERPRISES,  
12 commensurate with [State Use Industries'] THE production ability OF MARYLAND  
13 CORRECTIONAL ENTERPRISES.

14 (2) After review by the Management Council, [State Use Industries]  
15 MARYLAND CORRECTIONAL ENTERPRISES shall send the standards to the  
16 appropriate contracting units for inclusion in annual goods and service procurement  
17 contracts.

18 3-513.

19 (a) In accordance with subsection (b)(1) of this section, the Commissioner and  
20 [General Manager] CHIEF EXECUTIVE OFFICER shall develop programs to provide  
21 inmates with occupational experience to complement personnel development plans of  
22 the State Department of Education and other units of State government serving  
23 inmates in the Division.

24 (b) (1) In establishing programs required under subsection (a) of this  
25 section, the Commissioner and [General Manager] CHIEF EXECUTIVE OFFICER shall  
26 consult with:

27 (i) the Assistant Secretary for the Division of Employment and  
28 Training, Department of Labor, Licensing, and Regulation;

29 (ii) the Assistant State Superintendent for the Division of Career  
30 Technology and Adult Learning, State Department of Education;

31 (iii) the Commissioner of the Division of Labor and Industry,  
32 Department of Labor, Licensing, and Regulation; and

33 (iv) the Director of the Correctional Education Program, State  
34 Department of Education.

35 (2) The individuals listed in paragraph (1) of this subsection shall  
36 provide appropriate assistance to the Commissioner and [General Manager] CHIEF  
37 EXECUTIVE OFFICER in carrying out this section.

1 3-514.

2 (a) The Commissioner and [General Manager] CHIEF EXECUTIVE OFFICER  
3 shall establish the compensation rate for inmate labor in [State Use Industries]  
4 MARYLAND CORRECTIONAL ENTERPRISES, taking into consideration other wage  
5 payments and incentives in other programs.

6 (b) After review by the Management Council, and after consideration of any  
7 recommendation by the [General Manager] CHIEF EXECUTIVE OFFICER, the  
8 Commissioner shall adopt regulations in accordance with Title 10, Subtitle 1 of the  
9 State Government Article that govern the method and time of compensation  
10 payments.

11 3-515.

12 (a) A unit of State government shall purchase from [State Use Industries]  
13 MARYLAND CORRECTIONAL ENTERPRISES any goods or services that are available  
14 from [State Use Industries] MARYLAND CORRECTIONAL ENTERPRISES and that  
15 [State Use Industries] MARYLAND CORRECTIONAL ENTERPRISES can provide at a  
16 price not exceeding the prevailing average market price as determined by the  
17 Department of General Services.

18 (b) (1) The contracting unit shall inform each unit of State government for  
19 which it procures goods or services within 60 days after the award of a contract.

20 (2) Quarterly, each unit that requires goods or services for its operations  
21 shall inform [State Use Industries] MARYLAND CORRECTIONAL ENTERPRISES of its  
22 anticipated orders during the next 3-month period.

23 (3) If [State Use Industries] MARYLAND CORRECTIONAL ENTERPRISES  
24 is unable to provide any of the goods or services under the contract, [State Use  
25 Industries] MARYLAND CORRECTIONAL ENTERPRISES shall notify the contracting  
26 unit so that appropriate alternative action may be taken to meet the needs of units of  
27 State government for which the contracting unit procures goods or services.

28 (c) The Board of Public Works:

29 (1) shall suspend the application of subsection (a) of this section if the  
30 Board of Public Works finds that the purposes of Division II of the State Finance and  
31 Procurement Article are being unduly eroded due to the volume and scope of activities  
32 and sales by [State Use Industries] MARYLAND CORRECTIONAL ENTERPRISES; and

33 (2) may suspend the application of subsection (a) of this section for data  
34 entry services that involve information that is protected from disclosure under Title  
35 10, Subtitle 6, Part III of the State Government Article.

1 3-516.

2 (a) Except as authorized under subsection (b) of this section, goods and  
3 services of [State Use Industries] MARYLAND CORRECTIONAL ENTERPRISES may not  
4 be sold on the open market.

5 (b) Goods and services of [State Use Industries] MARYLAND CORRECTIONAL  
6 ENTERPRISES may be sold on the open market:

7 (1) if they are produced or provided by an individual on parole or in a  
8 work release program;

9 (2) if the sale is made to a charitable, civic, educational, fraternal, or  
10 religious agency, association, or institution for its own use and not for resale within 1  
11 year of the purchase;

12 (3) to a person for national defense purposes if not prohibited by an act of  
13 Congress;

14 (4) if they are surplus goods remaining after meeting the forecasted  
15 requirements of units of State government and political subdivisions and the goods  
16 remain unsold 1 year after being produced;

17 (5) for use by a contractor or subcontractor in performance of a contract  
18 with a unit of State government or any other governmental unit in the State; or

19 (6) as allowed under the Private Sector/Prison Industry Enhancement  
20 Certification Program of the United States Department of Justice, Bureau of Justice  
21 Assistance.

22 3-517.

23 There is a [State Use Industries] MARYLAND CORRECTIONAL ENTERPRISES  
24 Management Council in the Division.

25 3-518.

26 (a) The Management Council consists of the following 15 members:

27 (1) the Commissioner;

28 (2) a representative of the Comptroller of the Treasury, appointed by the  
29 State Comptroller;

30 (3) the [General Manager] CHIEF EXECUTIVE OFFICER;

31 (4) a member of the House of Delegates, appointed by the Speaker of the  
32 House of Delegates;

33 (5) a member of the Senate, appointed by the President of the Senate;



1 (6) a representative of the University System of Maryland, appointed by  
2 the Chancellor;

3 (7) a representative of the State Department of Education, appointed by  
4 the Governor;

5 (8) a representative of the Department of Labor, Licensing, and  
6 Regulation, appointed by the Governor;

7 (9) a representative of the Governor's Office of Crime Control and  
8 Prevention, appointed by the Governor;

9 (10) two representatives of organized labor, one from the public sector and  
10 one from the private sector, appointed by the Governor in accordance with subsection  
11 (b) of this section;

12 (11) a judge, appointed by the Chief Judge of the Maryland Court of  
13 Appeals;

14 (12) two representatives of the business community selected from the  
15 fields of manufacturing, services, finance, and information technology, appointed by  
16 the Governor in accordance with subsection (b) of this section; and

17 (13) one representative of a nonprofit organization, appointed by the  
18 Governor in accordance with subsection (b) of this section.

19 (b) (1) The term of a member appointed under subsection (a)(10), (12), and  
20 (13) of this section is 3 years.

21 (2) At the end of a term the member continues to serve until a successor  
22 is appointed and qualifies.

23 (3) A member appointed after a term has begun serves only for the rest  
24 of the term and until a successor is appointed and qualifies.

25 3-519.

26 (a) The Management Council annually shall elect a Chairperson.

27 (b) The manner of election shall be as the Management Council determines.

28 3-520.

29 (a) The Management Council shall determine the times and places of its  
30 meetings.

31 (b) Eight members of the Management Council constitute a quorum.

32 (c) A member of the Management Council:

1 (1) may not receive compensation for membership on the Management  
2 Council; but

3 (2) is entitled to reimbursement for expenses under the Standard State  
4 Travel Regulations, as provided in the State budget.

5 (d) Except as provided in subsection (e) of this section, the State, the  
6 Management Council, and the members and employees of the Management Council  
7 may not be held liable for any act or omission of the Management Council or any  
8 member or employee of the Management Council in connection with the performance  
9 of their duties.

10 (e) Subsection (d) of this section does not apply in the case of willful  
11 malfeasance or breach of trust by the State, the Management Council, or any member  
12 or employee of the Management Council.

13 (f) The Secretary shall employ staff for the Management Council to be paid  
14 out of funds from [State Use Industries] MARYLAND CORRECTIONAL ENTERPRISES,  
15 in accordance with the State budget.

16 (g) (1) For fiscal year 2000 and each fiscal year thereafter, the Management  
17 Council shall prepare a budget for submission to the Secretary.

18 (2) The Secretary shall request an appropriation for the Management  
19 Council in the annual State budget sufficient for the operation of the Council.

20 3-521.

21 (a) (1) The Management Council shall:

22 (i) advise [State Use Industries] MARYLAND CORRECTIONAL  
23 ENTERPRISES on its specific proposals to establish new industries and improve the  
24 quality and quantity of job training programs; and

25 (ii) recommend the establishment and maintenance of industrial  
26 plants and service centers to be used for implementing the programs developed by the  
27 Commissioner and [General Manager] CHIEF EXECUTIVE OFFICER under § 3-511 of  
28 this subtitle.

29 (2) [State Use Industries] MARYLAND CORRECTIONAL ENTERPRISES  
30 shall operate industrial plants and service centers recommended under paragraph  
31 (1)(ii) of this subsection primarily with inmates in a manner that benefits the State  
32 and the training of inmates by producing goods or providing services that are  
33 practical and adaptable for a prison industry.

34 (b) The Management Council shall:

35 (1) review the operation of [State Use Industries] THE programs OF  
36 MARYLAND CORRECTIONAL ENTERPRISES to determine whether:

1 (i) there is undue competition with private enterprise and  
2 recommend necessary adjustments to prevent undue competition; and

3 (ii) there is any negative impact on workers in the State, including  
4 wage depression or job displacement;

5 (2) review the standards for goods and services and the pricing schedules  
6 as recommended by the [General Manager] CHIEF EXECUTIVE OFFICER; and

7 (3) review the occupational health and safety record of [State Use  
8 Industries'] programs and other working conditions of inmates in the programs OF  
9 MARYLAND CORRECTIONAL ENTERPRISES.

10 (c) The Management Council shall:

11 (1) review the success of [State Use Industries] MARYLAND  
12 CORRECTIONAL ENTERPRISES in:

13 (i) meeting the employability development needs of inmates; and

14 (ii) coordinating work programs with other rehabilitative  
15 programs;

16 (2) solicit and review information pertaining to concerns of participating  
17 inmates; and

18 (3) recommend changes as necessary to meet the goals and objectives of  
19 [State Use Industries] MARYLAND CORRECTIONAL ENTERPRISES.

20 (d) The Management Council shall:

21 (1) solicit ideas, proposals, and suggestions from business  
22 representatives, nonprofit organizations, government entities, and members of the  
23 public as to how [State Use Industries] MARYLAND CORRECTIONAL ENTERPRISES  
24 could enhance the work experience of inmates and increase the ability of inmates to  
25 obtain gainful employment after release;

26 (2) review and recommend opportunities with private sector employers  
27 to expand the Prison Industries Enhancement Program;

28 (3) review and identify ways to improve the business practices of [State  
29 Use Industries] MARYLAND CORRECTIONAL ENTERPRISES in its sales, marketing,  
30 inventory, warehousing, and product line operations;

31 (4) monitor customer satisfaction with price, quality, delivery, and after  
32 delivery service; and

33 (5) review and comment on the operating and capital budgets of [State  
34 Use Industries] MARYLAND CORRECTIONAL ENTERPRISES, including cash forecasts.

1 3-522.

2 On or before October 1 of each year, the Management Council shall submit to the  
3 Governor and, subject to § 2-1246 of the State Government Article, to the General  
4 Assembly an annual report summarizing the Management Council's activities and  
5 recommendations.

6 3-523.

7 All State and local governmental units shall cooperate with the Management  
8 Council in the discharge of its powers and duties, including requests for information  
9 associated with its purpose under this subtitle.

10 3-524.

11 There is a Customer Council created to advise the [General Manager] CHIEF  
12 EXECUTIVE OFFICER.

13 3-525.

14 The Customer Council shall consist of the following 11 members:

15 (1) the [General Manager] CHIEF EXECUTIVE OFFICER;

16 (2) one representative from each of the following State agencies,  
17 appointed by the Secretary of the respective agency:

18 (i) the Department of Budget and Management;

19 (ii) the Department of Business and Economic Development;

20 (iii) the Department of General Services;

21 (iv) the Department of Health and Mental Hygiene;

22 (v) the Department of Human Resources;

23 (vi) the Department of Transportation; and

24 (vii) the Maryland Higher Education Commission; and

25 (3) three customers recommended by the [General Manager] CHIEF  
26 EXECUTIVE OFFICER and appointed by the Governor.

27 3-526.

28 The [General Manager] CHIEF EXECUTIVE OFFICER shall serve as chairperson  
29 of the Customer Council.

1 3-527.

2 (a) The Customer Council shall meet quarterly.

3 (b) A member of the Customer Council:

4 (1) may not receive compensation for membership on the Customer  
5 Council; but

6 (2) is entitled to reimbursement for expenses under the Standard State  
7 Travel Regulations, as provided in the State budget.

8 3-528.

9 (a) The Customer Council shall:

10 (1) review the products and services of [the State Use Industries]  
11 MARYLAND CORRECTIONAL ENTERPRISES;

12 (2) advise the [General Manager] CHIEF EXECUTIVE OFFICER on  
13 quality, availability, style, design, delivery, scheduling, and pricing;

14 (3) recommend new products and services;

15 (4) annually review the catalog of [State Use Industries] MARYLAND  
16 CORRECTIONAL ENTERPRISES products and recommend changes to improve the  
17 catalog;

18 (5) recommend sales, marketing, and customer satisfaction initiatives;

19 (6) annually review the [State Use Industries] MARYLAND  
20 CORRECTIONAL ENTERPRISES business plan; and

21 (7) serve as a forum for raising and discussing issues related to any  
22 product or service offered by [State Use Industries] MARYLAND CORRECTIONAL  
23 ENTERPRISES.

24 (b) The [General Manager] CHIEF EXECUTIVE OFFICER shall present a  
25 summary of Customer Council activities and recommendations to the Management  
26 Council, as provided in § 3-521(b) of this subtitle following each meeting.

27 10-308.

28 (d) An inmate working under the supervision of [State Use Industries]  
29 MARYLAND CORRECTIONAL ENTERPRISES in the Federal Prison Industry  
30 Enhancement Program:

31 (1) is excluded from the jurisdiction of the Board; and

32 (2) shall be administered benefits as provided under Title 9 of the Labor  
33 and Employment Article.

1

**Article - Criminal Procedure**

2 11-1002.

3 (c) (1) The Department shall make the guidelines in subsection (b) of this  
4 section available to the units involved with carrying out the guidelines.

5 (2) To the extent feasible, the guidelines in subsection (b) of this section  
6 shall be printed by [State Use Industries] MARYLAND CORRECTIONAL  
7 ENTERPRISES.

8

**Article - Labor and Employment**

9 9-221.

10 (a) A prisoner is a covered employee while the prisoner is:

11 (1) working for a board of county commissioners, a county council, or a  
12 county roads board if:

13 (i) the county pays the prisoner a wage or stipulated sum; and

14 (ii) the prisoner sustains permanent partial or permanent total  
15 disability or dies, as a result of an accidental personal injury; or

16 (2) engaged in work while under the supervision of [State Use  
17 Industries] MARYLAND CORRECTIONAL ENTERPRISES in the Federal Prison Industry  
18 Enhancement Program as provided in § 10-308(d) of the Correctional Services  
19 Article.

20

**Article - State Finance and Procurement**

21 14-103.

22 The State or a State aided or controlled entity shall buy supplies and services  
23 from:

24 (1) [State Use Industries] MARYLAND CORRECTIONAL ENTERPRISES,  
25 as provided in Title 3, Subtitle 5 of the Correctional Services Article, if State Use  
26 Industries provides the supplies or services;

27 (2) Blind Industries and Services of Maryland, if:

28 (i) Blind Industries and Services of Maryland provides the supplies  
29 or services; and

30 (ii) [State Use Industries] MARYLAND CORRECTIONAL  
31 ENTERPRISES does not provide the supplies or services; or

32 (3) sheltered workshops if:

- 1 (i) a sheltered workshop provides the supplies or services;
- 2 (ii) neither [State Use Industries] MARYLAND CORRECTIONAL  
3 ENTERPRISES nor Blind Industries and Services of Maryland provides the supplies or  
4 services; and
- 5 (iii) the State or a State aided or controlled entity is not required by  
6 law to buy the supplies or services from any other unit of the State government.

7

**Article - State Government**

8 2-1221.

9 (a) A fiscal/compliance audit conducted by the Office of Legislative Audits  
10 shall include:

- 11 (1) an examination of financial transactions and records and internal  
12 controls;
- 13 (2) an evaluation of compliance with applicable laws and regulations;
- 14 (3) an audit of electronic data processing operations; and
- 15 (4) an evaluation of compliance with applicable laws and regulations  
16 relating to the acquisition of goods and services from [State Use Industries]  
17 MARYLAND CORRECTIONAL ENTERPRISES.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
19 October 1, 2005.