

CORRECTED
SESSION OF 2026

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2596

As Amended by House Committee on
Commerce, Labor and Economic Development

Brief*

HB 2596, as amended, would authorize the Secretary of Corrections (Secretary) to enter into contracts for production of manufactured or modular homes under the Prison-made Goods Act of Kansas.

The bill would require the Secretary to charge private contractors the regional average commercial rate for the rent for the square footage used in the modular housing project, and the regional average wage for the skills utilized, without any deviations for training wages.

The bill would also make technical changes.

The bill would be in effect upon publication in the *Kansas Register*.

Background

The bill was introduced by Representative Sweely.

***House Committee on Commerce, Labor and Economic
Development***

In the House committee hearing, **proponent** testimony was provided by Representatives Sweely and Waggoner, and

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <https://klrd.gov/>

representatives of the Hutchinson-Reno County Chamber of Commerce and Interfaith Housing Community. The proponents generally stated the bill would add affordable housing units to the Kansas housing supply and allow prisoners to get paid a market wage, learn in-demand skills, and build houses in conjunction with a contracted third party.

Written-only proponent testimony was provided by a representative of United We.

Opponent testimony was provided by a representative of the Kansas Manufactured Housing Association. The opponent generally stated the bill would hinder external private companies in the industry since the Department of Corrections and its potential contracted vendors would not have to pay certain business costs like other private companies.

Written-only opponent testimony was provided by a representative of the Kansas Chamber of Commerce.

No other testimony was provided.

The House Committee amended the bill to require the prison to charge private companies the regional average commercial rate for rent for the square footage used in the modular housing project, and the regional average wage for the skills being utilized, without any deviations for training wages.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Corrections estimates that enactment of the bill would increase expenditures from the Kansas Correctional Industries (KCI) Fund by \$2.0 million in FY 2027 and \$1,725,000 in FY 2028 and subsequent fiscal years for the vocational building program. The program would require 3.00

additional supervisor positions at an annual cost of \$225,000 and would employ at least 25 residents at the traditional KCI wage at an annual cost of \$150,000. Materials and supplies are estimated at \$1,625,000 in FY 2027, which includes start-up costs to acquire supplies and equipment, and \$1,350,000 annually thereafter. Revenue from the sale of buildings to state agencies is estimated at \$1,725,000 annually.

The Department also indicates that the expanded private industry provisions would provide additional work opportunities for residents in its custody, but that the fiscal effect of these provisions cannot be estimated at this time. Residents employed through private industry agreements would pay 25.0 percent of their wages back to KCI for room and board and state and federal income taxes, 5.0 percent toward restitution or the Crime Victims Fund, and an additional 10.0 percent to a mandatory savings account that would become available upon release from custody.

Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2027 Governor's Budget Report*.

Prison-Made Goods Act; modular homes; Secretary of Corrections