

**A-Engrossed**  
**Senate Bill 498**

Ordered by the Senate April 19  
Including Senate Amendments dated April 19

Sponsored by Senator GELSER, Representative WILLIAMSON; Senators DEMBROW, FREDERICK, GOLDEN, MANNING JR, RILEY, WAGNER (Pre-session filed.)

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

*[Requires Department of Corrections to adopt rules that prohibit correctional facilities, and requires cities and counties to adopt ordinances that prohibit local correctional facilities, from having contract with provider of telephone services under which department, city, county or facility receives payment for telephone services provided to inmates of facility.]*

**Prohibits Department of Corrections from entering into contract with inmate telephone services provider that authorizes department to receive fee or commission other than reimbursement for expenses.**

**Prohibits inmate telephone service provider from providing fee or commission to local or regional correctional facility, city or county other than authorized fee for completed calls. Requires that any commission or fee received by facility, city or county be deposited in Inmate Welfare Fund Account. Requires facility, city or county to prepare quarterly report, made available to public, concerning revenue received from inmate telephone service providers and expenditures of moneys in Inmate Welfare Fund Account.**

**Specifies requirements for local or regional correctional facility, city or county issuing requests for proposals for inmate telephone service providers. Specifies requirements for contract including fees and rates that may be charged for telephone services.**

**Authorizes Public Utility Commission to authorize by rule rates and fees in other amounts.**

**Directs city or county that maintains local or regional correctional facility to establish Inmate Welfare Fund Account. Specifies manner in which moneys in fund may be expended.**

**Declares emergency, effective July 1, 2019.**

**A BILL FOR AN ACT**

1  
2 Relating to telephone services provided to inmates; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2019 Act is added to and made a part of ORS chapter 421.**

5 **SECTION 2. (1) The Department of Corrections may enter into a contract with an inmate**  
6 **telephone services provider in which the provider provides inmate telephone services or**  
7 **other inmate communications systems at the provider's cost and reimburses the department:**

8 (a) **For the department's internal and external costs to oversee and manage the inmate**  
9 **telephone services or communications system; and**

10 (b) **To pay third party providers.**

11 (2) **The department may not enter into a contract with a inmate telephone services pro-**  
12 **vider that authorizes the department to receive a fee or commission for telephone services**  
13 **provided to inmates other than the reimbursement described in subsection (1) of this section.**

14 **SECTION 3. Sections 4, 5 and 6 of this 2019 Act are added to and made a part of ORS**  
15 **169.005 to 169.677.**

16 **SECTION 4. (1) An inmate telephone service provider may not provide a fee or commis-**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 sion to a local or regional correctional facility, city or county for the provision of inmate  
2 telephone services other than a fee of five cents per minute or less, or other amount au-  
3 thorized by the Public Utility Commission by rule, for completed interstate, intrastate or  
4 international calls.

5 (2) The per-minute rate limits described in section 5 of this 2019 Act apply to the fee  
6 described in subsection (1) of this section.

7 (3) Any fee or commission received by a local or regional correctional facility, city or  
8 county under subsection (1) of this section must be deposited in the Inmate Welfare Fund  
9 Account, established under section 6 of this 2019 Act, of the city or county receiving the fee  
10 or commission, or of the city or county in which the correctional facility receiving the fee  
11 or commission is located.

12 (4)(a) A local or regional correctional facility, city or county that receives a fee or com-  
13 mission described in subsection (1) of this section shall prepare a quarterly report with the  
14 following information:

15 (A) A monthly accounting of the total revenue received from the inmate telephone ser-  
16 vice provider;

17 (B) The total per-minute fees received;

18 (C) The share of revenue received by the correctional facility, city or county; and

19 (D) A detailed list of expenditures during the previous quarter from the Inmate Welfare  
20 Fund Account established under section 6 of this 2019 Act.

21 (b) The correctional facility, city or county shall make the report described in paragraph  
22 (a) of this subsection available to the public and shall place a link to the report on the  
23 website of the correctional facility, city or county.

24 (5) The Public Utility Commission may adopt rules to carry out the provisions of this  
25 section, including rules that authorize fees in an amount other than that described in sub-  
26 section (1) of this section.

27 (6) As used in this section, "regional correctional facility" has the meaning given that  
28 term in ORS 169.620.

29 **SECTION 5.** (1) A local or regional correctional facility, city or county that issues a re-  
30 quest for proposals to procure inmate telephone services shall:

31 (a) Consider call quality as a primary consideration when evaluating proposals; and

32 (b) Weight call quality at not less than 35 percent of the total weight that the  
33 correctional facility, city or county gives to all factors in the final evaluation of a proposal.

34 (2) A contract between a local or regional correctional facility, city or county and an in-  
35 mate telephone service provider must include a requirement that the provider submit a  
36 monthly report to the correctional facility, city or county containing the following informa-  
37 tion for the previous month:

38 (a) All revenue earned;

39 (b) Any fees charged;

40 (c) Any moneys paid to the correctional facility, city or county;

41 (d) The number of completed calls;

42 (e) The number of dropped calls; and

43 (f) The number of complaints concerning call quality.

44 (3) A contract between a local or regional correctional facility, city or county and an in-  
45 mate telephone service provider must comply with the following per-minute rate limits ex-

cept as otherwise authorized by the Public Utility Commission by rule:

(a) For local or regional correctional facilities with less than 350 beds:

(A) \$0.21 per minute for prepaid intrastate and interstate calls.

(B) \$0.25 per minute for collect intrastate and interstate calls.

(C) \$0.50 per minute for international calls to Mexico or Canada.

(D) \$0.67 per minute for all other international calls.

(b) For facilities with at least 350 beds but less than 1,000 beds:

(A) \$0.19 per minute for prepaid intrastate and interstate calls.

(B) \$0.23 per minute for collect intrastate and interstate calls.

(C) \$0.50 per minute for international calls to Mexico or Canada.

(D) \$0.67 per minute for all other international calls.

(c) For facilities with at least 1,000 beds:

(A) \$0.17 per minute for prepaid intrastate and interstate calls.

(B) \$0.21 per minute for collect intrastate and interstate calls.

(C) \$0.50 per minute for international calls to Mexico or Canada.

(D) \$0.67 per minute for all other international calls.

(4) A contract between a local or regional correctional facility, city or county and an inmate telephone service provider may not authorize the collection of any fee other than the following:

(a) The fees described in section 4 (1) of this 2019 Act.

(b) For a paper copy of a billing statement requested by a customer, a \$2.00 fee per statement or other fee authorized by the commission by rule.

(c) For electronic deposits of less than \$25.00, a deposit fee of \$1.50 or other fee authorized by the commission by rule.

(d) For electronic deposits of \$25.00 or more, a deposit fee of \$3.00 or other fee authorized by the commission by rule.

(e) For deposits facilitated by a live operator, a deposit fee of \$5.95 or other fee authorized by the commission by rule.

(5) Nothing in this section prohibits a contract from authorizing or collecting taxes or other fees required by law.

(6) The Public Utility Commission may adopt rules to carry out the provisions of this section, including rules that authorize per-minute rates and fees other than the rates and fees described in this section.

(7) As used in this section, "regional correctional facility" has the meaning given that term in ORS 169.620.

**SECTION 6.** (1) A city or county that maintains a local or regional correctional facility shall establish an Inmate Welfare Fund Account, separate and distinct from the general fund of the city or county. All moneys in the account may be expended only for inmate welfare and may not be used for regular inmate meals, inmate clothing, inmate medical care, facility maintenance or staff salaries, staff clothing or staff equipment.

(2) As used in this section:

(a) "Inmate welfare" means items or programs that enhance the lives of inmates, including but not limited to education programs, job training programs, drug and alcohol treatment programs, exercise equipment, televisions, cable subscriptions, electronic law library access, magazine subscriptions, books, board games, microwaves available for inmate

1 use and meals or other foods provided for special events.

2 (b) "Regional correctional facility" has the meaning given that term in ORS 169.620.

3 **SECTION 7.** Sections 2, 4, 5 and 6 of this 2019 Act apply to contracts for inmate telephone  
4 services entered into, extended or renegotiated on or after the effective date of this 2019 Act.

5 **SECTION 8.** This 2019 Act being necessary for the immediate preservation of the public  
6 peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect  
7 July 1, 2019.

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