

REFERENCE TITLE: inmate labor; wages

State of Arizona  
Senate  
Fifty-seventh Legislature  
Second Regular Session  
2026

## **SB 1766**

Introduced by  
Senator Gonzales

AN ACT

AMENDING SECTIONS 31-254 AND 31-284, ARIZONA REVISED STATUTES; RELATING TO PRISONERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 31-254, Arizona Revised Statutes, is amended to  
3 read:

4 31-254. Compensation for labor performed; price of prison  
5 made articles; distribution of earnings; workers'  
6 compensation

7 A. Each prisoner who is engaged in productive work in any state  
8 prison or institution under the jurisdiction of the department or a  
9 private prison under contract with the department as a part of the prison  
10 industries program shall receive for the prisoner's work the compensation  
11 that the director determines. The compensation shall be in accordance  
12 with a graduated schedule based on quantity and quality of work performed  
13 and skill required for its performance but shall not ~~exceed one dollar~~  
14 ~~fifty cents per hour unless the prisoner is employed in an Arizona~~  
15 ~~correctional industries program pursuant to title 41, chapter 11,~~  
16 ~~article 3~~ BE LESS THAN THE MINIMUM WAGE PRESCRIBED BY SECTION 23-363. If  
17 the director enters into a contract pursuant to section 41-1624.01 with a  
18 private person, firm, corporation or association the director shall  
19 prescribe prisoner compensation ~~of at least two dollars per hour~~ THAT IS  
20 COMMENSURATE WITH THE MARKET RATE FOR SIMILAR CONTRACTS IN THIS STATE.  
21 Compensation shall not be paid to prisoners for attendance at educational  
22 training or treatment programs, but compensation may be paid for work  
23 training programs.

24 B. Whenever a price is fixed for any article, material, supply or  
25 service to be produced, manufactured, supplied or performed in connection  
26 with the industries program of the department, the compensation paid to  
27 prisoners shall be included as an item of cost in fixing the price.

28 C. The compensation of prisoners shall be paid out of the fund  
29 established pursuant to section 41-1624 or out of funds appropriated for  
30 that purpose by the legislature when required.

31 ~~D. If the compensation due a prisoner is less than two dollars per~~  
32 ~~hour, mandatory deductions shall be taken for the following purposes in~~  
33 ~~the order specified:~~

34 ~~1. Twenty-five percent of the prisoner's gross wages until the~~  
35 ~~prisoner's dedicated discharge account registers a two hundred fifty~~  
36 ~~dollar balance or, if the prisoner is serving a sentence of natural life,~~  
37 ~~a fifty dollar balance.~~

38 ~~2. If the prisoner initiates a lawsuit, twenty percent from all~~  
39 ~~deposits to the prisoner's spendable account until the court fees are~~  
40 ~~collected in full.~~

41 ~~3. If the prisoner was not convicted of a violation of title 28,~~  
42 ~~chapter 4, five percent of the prisoner's gross wages shall be used~~  
43 ~~exclusively to fund the transition program established by section 31-281.~~  
44 ~~All monies collected under this paragraph shall be deposited, pursuant to~~

1 ~~sections 35-146 and 35-147, in the transition program fund established by~~  
2 ~~section 31-284.~~

3 ~~4. Thirty percent of the prisoner's wages for court ordered~~  
4 ~~dependent care.~~

5 ~~E.~~ D. If the PRISONER RECEIVES compensation ~~due a prisoner equals~~  
6 ~~or exceeds two dollars per hour~~, the director shall credit to the  
7 prisoner's spendable account established pursuant to section 31-230 an  
8 amount equaling ~~fifty cents~~ \$.50 per hour for each hour compensation is  
9 due plus ten percent of the adjusted balance remaining after the mandatory  
10 deductions are taken. Mandatory deductions shall be taken for the  
11 following purposes in the order specified:

12 1. THIRTY PERCENT OF THE PRISONER'S WAGES FOR COURT-ORDERED  
13 DEPENDENT CARE.

14 ~~1.~~ 2. Twenty-five percent of the prisoner's gross wages until the  
15 prisoner's dedicated discharge account registers a ~~two hundred fifty~~  
16 ~~dollar~~ \$250 balance or, if the prisoner is serving a sentence of natural  
17 life, a ~~fifty dollar~~ \$50 balance.

18 ~~2.~~ 3. If the prisoner initiates a lawsuit, twenty percent from all  
19 deposits to the prisoner's spendable account until the court costs are  
20 collected in full.

21 ~~3.~~ 4. If the prisoner was not convicted of a violation of title  
22 28, chapter 4, five percent of the prisoner's gross wages to fund the  
23 transition program established by section 31-281. All monies collected  
24 under this paragraph shall be deposited, pursuant to sections 35-146 and  
25 35-147, in the transition program fund established by section 31-284.

26 ~~4.~~ 5. Thirty percent of the prisoner's wages for the room and  
27 board costs of maintaining the prisoner at the facility.

28 ~~5. Thirty percent of the prisoner's wages for court ordered~~  
29 ~~dependent care.~~

30 ~~F.~~ E. After the mandatory deductions and obligations are paid by  
31 the prisoner, the remaining monies shall be credited to the prisoner's  
32 retention account established by the director pursuant to section 31-261,  
33 subsection B.

34 ~~G.~~ F. A prisoner may gain access to the prisoner's trust fund or  
35 retention account for emergency purposes at the sole discretion of the  
36 director.

37 ~~H.~~ G. Any monies not expended from the contributing prisoner's  
38 trust fund or retention account for the purposes prescribed in subsection  
39 ~~E~~ D of this section shall be paid to the prisoner on release pursuant to  
40 section 31-228.

41 ~~I.~~ H. If any prisoner escapes, the director shall determine what  
42 portion of the prisoner's earnings shall be forfeited, and the forfeited  
43 amount shall be deposited in the special services fund established by  
44 section 41-1604.03.

1           ~~¶~~ I. This section is not intended to restore, in whole or in  
2 part, the civil rights of any prisoner. A prisoner who is compensated  
3 under this section shall not be considered to be an employee of or  
4 employed by this state, the department or any private person, firm,  
5 corporation or association engaged in a contract pursuant to section  
6 41-1624.01, and the prisoner does not come within any of the provisions of  
7 the workers' compensation provided in title 23, chapter 6 and is not  
8 entitled to any benefits under title 23, chapter 6 whether on behalf of  
9 the prisoner or of any other person. This subsection does not apply to  
10 prisoners who are employed pursuant to a federally certified prison  
11 industry enhancement program established pursuant to section 41-1674.

12           Sec. 2. Section 31-284, Arizona Revised Statutes, is amended to  
13 read:

14           31-284. Transition program fund

15           The transition program fund is established consisting of ~~the~~ monies  
16 collected pursuant to section 31-254, subsection D, paragraph  
17 ~~3 and subsection E, paragraph 3~~ 4 and section 31-285, subsection C. The  
18 department shall administer the fund to pay for any costs related to the  
19 administration of the transition program and for transition program  
20 services. Monies in the fund are subject to legislative appropriation and  
21 are exempt from the provisions of section 35-190 relating to lapsing of  
22 appropriations.