

Sixty-first  
Legislative Assembly  
of North Dakota

**SENATE BILL NO. 2134**

Introduced by

Government and Veterans Affairs Committee

(At the request of the Department of Corrections and Rehabilitation)

1 A BILL for an Act to amend and reenact sections 12-48-03.1 and 12-48-03.2 of the North  
2 Dakota Century Code, relating to prison industries.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 12-48-03.1 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **12-48-03.1. The director of the department of corrections and rehabilitation may**  
7 **establish and engage in new prison industries.**

8 1. ~~The warden of the state penitentiary, under the direction and with the approval of~~  
9 ~~the director of the department of corrections and rehabilitation, is authorized to~~  
10 ~~may~~ establish and engage in ~~such new~~ prison industries ~~as~~ the director deems  
11 necessary and which are of greatest benefit to and in the best interest of the state  
12 of North Dakota, the department, and offenders committed to the legal and  
13 physical custody of the department. ~~The warden, with the approval of the director,~~  
14 ~~may also discontinue industries when necessary. The director and the warden~~  
15 ~~shall make all rules and regulations and do all things necessary or incidental to the~~  
16 ~~establishing and maintaining of prison industries including the manufacture, sale,~~  
17 ~~or distribution of prison industries produce or products, and, so far as is compatible~~  
18 ~~with the efficient operation of the industry, shall use offenders committed to the~~  
19 ~~department as laborers in such prison industries. The director and warden shall~~  
20 ~~also do all things necessary and incidental to the discontinuance of these~~  
21 ~~industries no longer necessary or beneficial to the department. Except as provided~~  
22 ~~in subsections 1, 2, and 3, the director may authorize the sale of selected prison~~  
23 ~~industry products to wholesale and retail outlets. All other prison industry products~~  
24 ~~must be limited for sale to nonprofit, charitable, and tax supported organizations,~~

1           ~~institutions, and agencies and to municipal, county, state, or other governmental~~  
2           ~~subdivisions and agencies. All governmental entities may purchase available~~  
3           ~~products from the prison industries unless such purchase from the prison industries~~  
4           ~~is impractical or prohibited by law.~~ The department shall keep a true and accurate  
5           account of all receipts from the established industries and deposit the earnings in  
6           an account as provided by law. ~~Sales of prison industry products are subject to the~~  
7           ~~following:~~

8           4. ~~2.~~ All ~~hardwood, fiberesin, upholstered, and metal art work~~ products made in the  
9           ~~prison by roughrider industries, or other factory that manufactures the above~~  
10           ~~products,~~ may be purchased directly by state governmental agencies, including  
11           federal, state, and tribal agencies and political subdivisions, for use in  
12           ~~government-owned or rented buildings~~ official business, and by nonprofit  
13           organizations, excluding trade associations, fraternal organizations, co-ops, and  
14           health insurance companies. ~~All other prison-made hardwood, fiberesin,~~  
15           ~~upholstered, and metal art work~~ Prison industries-made products may also be sold  
16           only through wholesale or retail outlets that possess a valid sales tax permit ~~or,~~  
17           and if the products are manufactured under the prison industries enhancement  
18           certification program under Public Law No. 96-157 [93 Stat. 1215; 18 U.S.C.  
19           176(c)], in interstate commerce and through export firms for sale to international  
20           markets.

21           2. ~~Hardwood, fiberesin, upholstered, and metal art work products manufactured by~~  
22           ~~roughrider industries, or other factory that manufactures the above products, and~~  
23           ~~purchased by state agencies, nonprofit organizations, and political subdivisions~~  
24           ~~may not be disposed of or leave the premises of the state agency, nonprofit~~  
25           ~~organization, and political subdivision for a period of ten years from the date of the~~  
26           ~~original purchase without written authorization from the director of the department~~  
27           ~~of corrections and rehabilitation.~~

28           3. ~~Subsections 1 and 2 do not prevent the sale of prison-made hardwood, fiberesin,~~  
29           ~~upholstered, or metal art work products to any state institution or facility operated~~  
30           ~~by the director of the office of management and budget or by the director of the~~  
31           ~~department of corrections and rehabilitation.~~

1           **SECTION 2. AMENDMENT.** Section 12-48-03.2 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3           **12-48-03.2. Prison industry authorized to trade, barter, and exchange**  
4 **merchandise, equipment, and services.** Prison industry is authorized to trade, barter, and  
5 exchange merchandise, equipment, and services with any state agency if such is in the best  
6 interest of the prison industry and approved by the ~~warden and the~~ director of the department of  
7 corrections and rehabilitation.