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Sixty-first
Legislative Assembly
of North Dakota

Introduced by

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

1 ~~law.~~ The department shall keep a true and accurate account of all receipts from the established
2 industries and deposit the earnings in an account as provided by law. ~~Sales of prison industry~~
3 ~~products are subject to the following:~~

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

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

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

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

30 **12-48-03.2. Prison industry authorized to trade, barter, and exchange**
31 **merchandise, equipment, and services.** Prison industry is authorized to trade, barter, and

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- 1 exchange merchandise, equipment, and services with any state agency if such is in the best
- 2 interest of the prison industry and approved by the ~~warden and the~~ director of the department of
- 3 corrections and rehabilitation.