

Sixty-first
Legislative Assembly
of North Dakota

ENGROSSED 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~~
22 ~~provided in subsections 1, 2, and 3, the director may authorize the sale of selected~~
23 ~~prison industry products to wholesale and retail outlets. All other prison industry~~
24 ~~products must be limited for sale to nonprofit, charitable, and tax-supported~~

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

8 1. ~~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 may sell commissary items and
16 prison industries-made clothing to inmates. Prison industries-made products may
17 also be sold only through wholesale or retail outlets that possess a valid sales tax
18 permit or, and if the products are manufactured under the prison industries
19 enhancement certification program under Public Law No. 96-157 [93 Stat. 1215;
20 18 U.S.C. 176(c)], in interstate commerce and through export firms for sale to
21 international markets.

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

29 3. ~~Subsections 1 and 2 do not prevent the sale of prison-made hardwood, fiberesin,~~
30 ~~upholstered, or metal art work products to any state institution or facility operated~~

1 ~~by the director of the office of management and budget or by the director of the~~
2 ~~department of corrections and rehabilitation.~~

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

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