

GENERAL ASSEMBLY OF NORTH CAROLINA

EXTRA SESSION 1994

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HOUSE BILL 134

Short Title: Prison Industries/Funds.

(Public)

Sponsors: Representatives G. Miller; H. Hunter, Bowman, and Wainwright.

Referred to: Appropriations.

February 14, 1994

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE DEPARTMENT OF CORRECTION, SUBJECT TO THE APPROVAL OF THE GOVERNOR, TO ENTER INTO JOINT INDUSTRIAL DEVELOPMENT AND MANUFACTURING ACTIVITIES TO ADDRESS PRISON COSTS, EDUCATION, AND TRAINING, AND HEALTH CARE COSTS, AND TO APPROPRIATE FUNDS FOR THIS PURPOSE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 148-70 reads as rewritten:

"§ 148-70. Management and care of inmates; prison industries; disposition of products of inmate labor.

(a) The State Department of Correction in all contracts for labor shall provide for feeding and clothing the inmates and shall maintain, control and guard the quarters in which the inmates live during the time of the contracts; and the Department shall provide for the guarding and working of such inmates under its sole supervision and control. The Department may make such contracts for the hire of the inmates confined in the State prison as may in its discretion be proper. In accordance with the provisions of Article 11 of Chapter 66 of the General Statutes, the Department may use the labor of inmates confined in the State prison in work on farms and manufacturing, either within or without the State prison. The Department may dispose of the products of the labor of the inmates, either in farming or in manufacturing or in other industry at the State Prison System to any public institution owned, managed, or controlled by the State, or to any county, city or town in this State, or to any federal, state, or local public institution in any other state of the union. ~~Provided however, no~~

1 (b) No manufacturing or other industry shall be established, supervised
2 supervised, cooperatively managed, or controlled by the Department under this section
3 unless specifically approved by the Governor pursuant to G.S. 66-58(f).

4 (c) All departments, institutions and agencies of this State which are supported in
5 whole or in part by the State shall give preference to Department of Correction products
6 in purchasing articles, products, and commodities which these departments, institutions,
7 and agencies require and which are manufactured or produced within the State prison
8 system and offered for sale to them by the Department of Correction, and no article or
9 commodity available from the Department of Correction shall be purchased by any such
10 State department, institution, or agency from any other source unless the prison product
11 does not meet the standard specifications and the reasonable requirements of the
12 department, institution, or agency as determined by the Secretary of Administration, or
13 the requisition cannot be complied with because of an insufficient supply of the articles
14 or commodities required. The provisions of Article 3 of Chapter 143 of the General
15 Statutes respecting contracting for the purchase of all supplies, materials and equipment
16 required by the State government or any of its departments, institutions or agencies
17 under competitive bidding shall not apply to articles or commodities available from the
18 Department of Correction, but the Department of Correction shall be required to keep
19 the price of such articles or commodities substantially in accord with that paid by
20 governmental agencies for similar articles and commodities of equivalent quality as
21 determined by the Secretary by reference to competitive bidding as required by law.

22 ~~In addition, the~~ (d) The Secretary of Correction may lease one or more
23 buildings or portions of buildings on the grounds of any State correctional institution or
24 location under Department of Correction control, together with the real estate needed
25 for reasonable access to such buildings, for a term not to exceed 20 years, to a private
26 corporation for the purpose of establishing and operating a factory for the manufacture
27 and processing of products or any other commercial enterprise deemed by the Secretary
28 to provide employment opportunities for inmates in meaningful jobs for wages. A lease
29 entered into pursuant to this section may include provisions for the remodeling or
30 construction of buildings. Each lease shall be approved by the Governor and Council of
31 State and may be entered into only after consultation with the Joint Legislative
32 Commission on Governmental Operations. Each lease negotiated and concluded
33 pursuant to this section shall include and shall be valid only so long as the lessee
34 adheres to the following provisions:

- 35 (1) All persons employed in the factory or other commercial enterprise
36 operated in or on the leased property, except the lessee's supervisory
37 employee and necessary training personnel, shall be inmates who are
38 approved for such employment by the Secretary or his designee.
- 39 (2) The factory or other commercial enterprise operated in or on the leased
40 property shall observe at all times such practices and procedures
41 regarding security as the lease may specify or as the Secretary may
42 stipulate.
- 43 (3) The factory or other commercial enterprise operated on the leased
44 property shall be deemed a private enterprise and subject to all the

1 laws and lawfully adopted rules of this State governing the operation
2 of similar business enterprises elsewhere, except that the provisions of
3 G.S. 66-58 shall not apply to the industries or products of such private
4 enterprise.

5 (e) Subject to approval by the Governor as provided in G.S. 66-58(f), the
6 Secretary may enter into joint manufacturing activities with commercial industry and
7 business that would utilize inmate employees, State-sponsored technology, and existing
8 vacant manufacturing sites throughout the State. All public funds generated or
9 expended with regard to these activities shall be used for public purposes only as
10 provided by law.

11 (f) The Secretary shall adopt rules for the administration and management of
12 personnel policies for prisoner workers including wages, working hours, and conditions
13 of employment.

14 (g) Except as prohibited by applicable provisions of the United States Code,
15 inmates of correctional institutions of this State may be employed in the manufacture
16 and processing of products and services for introduction into interstate commerce, so
17 long as they are paid no less than the prevailing minimum wage."

18 Sec. 2. There is appropriated from the General Fund to the Department of
19 Correction the sum of fifty thousand dollars (\$50,000) for the 1994-95 fiscal year to
20 implement the provisions of this act authorizing the Secretary to enter into joint
21 manufacturing activities with commercial industry and business that would utilize
22 inmate employees, State-sponsored technology, and existing vacant manufacturing sites
23 throughout the State.

24 Sec. 3. This act becomes effective July 1, 1994.