We Need YOUR VOICE to Pass Drug Court Reform

With two weeks left in this Legislative Session, things are moving quickly. We need your voice to reach out to your Representative and ask them to support the Senate Amendments on HB 2153 by Rep. Ross Ford (R-Broken Arrow) and Sen. Micheal Bergstrom (R-Adair). HB 2153 is OML’s priority that will help individuals struggling with addiction get the treatment they need and will help communities address critical public safety issues.

- HB 2153 seeks to get repeat, habitual offenders into a substance abuse diversion program.
- For all drug charges excluding marijuana, an individual would receive three convictions before being charged with a felony offense on the fourth conviction. This is modeled after recent DUI legislation.
- Beginning with the second offense, courts may, with consent of the defendant, order the defendant to complete a substance abuse assessment and evaluation and complete a diversion program. This does not apply to violations of possession of marijuana.
- A felony conviction will be downgraded to a misdemeanor offense after an offender successfully completes a treatment program.
- Loopholes created by State Questions 780 and 781 have allowed repeat, habitual drug offenders to simply pay a minimal fine, instead of going through Oklahoma’s successful drug court system.
- When individuals are not incentivized to go through drug intervention programs and seek the treatment they need, they simply return to the same environment over and over, leaving municipalities with few options to address the underlying problems that subsequently often lead to homelessness, criminal activity, and more.
- State Question 781 established that funds that would have gone to incarcerating individuals in prison, would instead be allocated to addiction treatment and treatment programs. Oklahoma has a highly successful Drug Court system, but those who administer the programs have not seen the additional funding come into their programs.
• Municipalities are seeing meth and cocaine cases come through their traffic courts and we are not equipped to administer treatment programs for these individuals.
• We do not want to lock individuals up, or create enormous fines that offenders are unable to pay. We want to put an emphasis on repeat, habitual offenders going through treatment and the Drug Court program.
• Please reach out to your House Member and ask them to VOTE YES on HB 2153.

Contact information for House Members can be found at this link: https://www.okhouse.gov/representatives

Stitt Vetoes OML’s Open Records Bill

On Friday, May 5th, Governor Stitt vetoed OML’s priority Open Records bill. SB 715 by Sen. Kay Floyd (D-OKC) and Rep. Mark Lawson (R-Sapulpa) provided that if a public body determined to keep a requested record confidential pursuant to subsection A of this section, the public body shall notify the requestor of such decision. A person denied access to records may file an action pursuant to subsection B of Section 24A.17 of this title. Upon hearing, the court may order the release of the records if the court finds that the public interest in the records outweighs the privacy interest and shall order any redactions necessary to protect innocent parties including but not limited to personal identifying information. The court may award a requesting party court costs and reasonable attorney fees if it finds that the denial of access to the records by the public body was unreasonable.

Governor Stitt’s stated that Enrolled Senate Bill 715 would create ambiguities and allow courts to engage in arbitrary balancing related to highly sensitive information sought pursuant to the Open Records Act.

The rest of his veto message can be read here.

Bills Signed by Gov. Stitt

Broadband/Easements: HB 1965 by Rep. Carl Newton (R-Cherokee) and Sen. Brent Howard (R-Altus) authorizes electric, telecommunications, and broadband providers to utilize existing electrical utility easements to provide or expand access to broadband services. The bill prohibits class action lawsuits alleging trespass, nuisance or inverse condemnation based on a claim of expanded easement use when the broadband facilities are located on above ground property owned or utilized by an electric provider. Such claims must be brought individually by the property owner. Upon a successful claim by the property owner and payment of damages to the property owner, an electric or broadband provider will be granted a permanent easement for the use of the facilities installed.

The bill takes effect on November 1, 2023.

Law Enforcement/Verbal Warnings: HB 2041 by Rep. Monroe Nichols (D-Tulsa) and Pro Tempore Greg Treat (R-OKC) allows a law enforcement officer who comes into contact with a person who has a misdemeanor warrant to issue a verbal warning about the existence of the warrant and advise the defendant to contact the clerk of the court to resolve the outstanding warrant. All verbal warnings shall be documented by law enforcement on a department-issued warning ticket or arrest the defendant and take him before a magistrate in that county.

The bill takes effect on November 1, 2023.

Public Utilities/Road & Highway Construction/Natural Gas: HB 2241 by Rep. Mike Dobrinski (R-Kingfisher) and Sen. Casey Murdock (R-Felt) provides that rural water districts, nonprofit water corporations, and municipal public water systems in municipalities with a population of ten thousand (10,000) people or less are exempt from having to pay for any expenses related to removing or relocating water and sewer facilities in public rights-of-way due to a construction project on a county road or highway that is maintained by the county. The bill establishes that rural water districts,
nonprofit water corporations, and municipal public water systems in municipalities with a population of fifteen thousand (15,000) people or less and natural gas systems that serve less than ten thousand (10,000) customers are exempt from paying for costs related to removing or relocating natural gas, water, and sewer facilities in public rights-of-way due to state highway or turnpike construction projects.

The bill takes effect on November 1, 2023.

**OSBI/Alaunna Raffield Fund:** [HB 2851](#) by Rep. Kevin Wallace (R-Wellston) and Sen. Grant Green (R-Wellston) requires the OSBI to establish the Alaunna Raffield Fund to assist in training other law enforcement officers. The Fund shall be administered and utilized by the OSBI in amounts as directed by the Legislature for such purpose. Monies allocated shall be utilized to assist law enforcement partners with the cost of attending training facilitated by the OSBI. Scholarship opportunities shall be afforded each year to county and municipal law enforcement agencies to attend accredited training conducted by the OSBI. The OSBI is authorized to promulgate agency rules for the administration of the Fund and determination of scholarship awards.

The bill takes effect on November 1, 2023.

**Emergency Operations Plans:** [SB 230](#) by Sen. Julie Daniels (R-Bartlesville) and Rep. Cynthia Roe (R-Lindsay) requires emergency operations plans to include a response to a catastrophic health emergency as defined in 63 O.S. 2021, Section 6104. The bill repeals 63 O.S. 2021, Section 6105, which is the Oklahoma Catastrophic Health Emergency Planning Task Force.

The bill takes effect on November 1, 2023.

**Oklahoma Broadband Expansion Act:** [SB 235](#) by Sen. Dave Rader (R-Tulsa) and Rep. Ronny Johns (R-Ada) adds the Oklahoma Turnpike Authority to the list of exempt entities from having to transfer assets to the Oklahoma Broadband Office if they are duplicative or complementary to the mission of the Office.

The bill went into effect on May 5, 2023.

**Underground Facilities Damage Prevention Act:** [SB 497](#) by Sen. Lonnie Paxton (R-Tuttle) and Rep. Trey Caldwell (R-Lawton) expands the term “excavate” as it relates to the Oklahoma Underground Facilities Damage Prevention Act to include the moving of earth by tools manipulated only by human power for burying communication lines of a communications provider in a private or public easement or right-of-way when depth is not greater than twelve (12) inches and within twelve (12) inches of a communications provider terminal. The bill also adds that the design or survey means a notice to facility operators to provide underground facility information during the design or engineering phase of a project to mitigate potential impact to existing underground facilities. When a design or survey notice is received, operators or their designee must provide underground facilities information with fourteen (14) calendar days from the time of the request which may include physical markings at the project site, facility mapping, or both. No excavation may take place on a design or survey notice. Operators shall provide the one-call notification center with the necessary information for notices to be sent to the appropriate person within their company or organization.

The bill takes effect on November 1, 2023.

**Bills Sent to Gov. Stitt’s Desk**

**Boiler & Pressure Vessel Safety Act:** [HB 1331](#) by Rep. Judd Strom (R-Copan) and Sen. Lonnie Paxton (R-Tuttle) authorizes the Commissioner of Labor to promulgate rules establishing a schedule of administrative penalties and fines for violations of the Boiler and Pressure Vessel Safety Act and/or the Boiler and Pressure Vessel Rules which may be in addition to or in lieu of the criminal penalties provided in this section. The promulgation of an administrative fine schedule shall grant the Commissioner authority to impose those administrative fines for any violation of the Boiler and Pressure Vessel Safety Act and/or the Boiler and Pressure Vessel Rules. Funds collected as payment from a violator for administrative fines
imposed for a violation of the Boiler and Pressure Vessel Safety Act and/or the Boiler and Pressure Vessel Rules shall be deposited to the Department of Labor Administrative Penalty Revolving Fund.

The bill passed the House on Wednesday by a vote of 76 to 0.

**Law Enforcement/Shooting into Buildings**: HB 1612 by Rep. Rande Worthen (R-Lawton) and Sen. Lonnie Paxton (R-Tuttle) adds shooting into a dwelling, or a building used for public or business purposes, as provided for in Section 1289.17A of this title or any attempt, conspiracy, or solicitation thereof to the required sentence of eighty-five percent of imprisonment.

The bill passed the House on Wednesday by a vote of 69 to 13.

**Workers' Compensation/Increase in Death Benefits**: HB 1738 by Rep. Tammy Townley (R-Ardmore) and Sen. Jerry Alvord (R-Lone Grove) increases the death benefits for a surviving spouse if there is more than one (1) child but less than five (5) children, each child shall receive a lump-sum payment of Twenty-five Thousand Dollars ($25,000.00) and a pro rata share of thirty percent (30%) of the deceased employee's average weekly wage for claims with a date of accident occurring on or after the effective date of this act. If there are more than five (5) or more children, each child shall receive a pro rata share of One Hundred Thousand Dollars ($100,000.00) up from Fifty Thousand Dollars ($50,000.00).

The bill passed the House on Wednesday by a vote of 76 to 0.

**Court Cost Compliance Program**: HB 2259 by Rep. Danny Sterling (R-Tecumseh) and Sen. Brent Howard (R-Altus) establishes a court cost compliance program beginning November 1, 2023. The program shall assist county sheriffs and the courts with the collection of fines, costs, fees, and assessments associated with any case in which a warrant has been issued and the case has been referred to the court cost compliance program. Individuals may make payments for such items to the court or to the program. The court shall report any payments received from any individual referred to the program within 4 (4) days of the payment. Compliance liaison within four (4) days of receipt of the payment. The bill adds returned checks and fraudulent use of credit card fees. Monthly payments shall be no less than One Hundred Dollars ($100.00). The court may also determine the financial ability of a defendant to pay associated fines and fees. If the court determines the defendant is unable to pay, the court may waive associated fines and fees. A defendant may request a cost hearing after the court informs him or her of the total court financial obligations owed or if life circumstances for the defendant have changed. Court clerks are directed to review cases of delinquency once every six (6) months.

The bill passed the House on Wednesday by a vote of 67 to 2.

**Opioid Substitution Treatment Program**: HB 2686 by Rep. Rick West (R-Heavner) and Sen. George Burns (R-Pollard) creates the Hannah McKenzie Act of 2023. The bill requires an opioid substitution treatment program to comply with all federal requirements for opioid treatment programs provided by 42 C.F.R., Subpart C including but not limited to the requirement to provide drug abuse testing services provided by 42 C.F.R., Section 8.12(f)(6). Drug abuse testing shall be directly observed by an employee or contractor of the opioid substitution treatment program. Failure to comply with the rules and standards of ODMHSAS or failure to comply with the requirements of 42 C.F.R., Subpart C is grounds for reprimand, suspension, revocation or nonrenewal of certification.

The bill passed the House on Wednesday by a vote of 83 to 0.

**Bills on the Move**

*Snapshot of bills impacting cities and towns*

With only three weeks left in this Legislative Session, the Legislature’s focus on bills has been mainly to reject amendments and send the bills to
conference. The deadline to get bills out of conference has yet to be determined.

**Route 66 Commission:** [HB 1016](#) by Rep. Mark Lawson (R-Sapulpa) and Sen. Todd Gollihare (R-Kellyville) amends the membership of the Oklahoma Route 66 Commission. The bill replaced the Executive Director of Tourism and Recreation with the Secretary of Tourism and Branding.

The House rejected the Senate amendments on Wednesday and sent the bill to conference.

**Oklahoma 9-1-1 Management Authority/Haiden Fleming Memorial Act:** [HB 1590](#) by Rep. Jim Grego (R-Wilburton) and Sen. Casey Murdock (R-Felt) creates the Haiden Fleming Memorial Act. The bill requires the Oklahoma 9-1-1 Management Authority to maintain an online training platform for 9-1-1 Emergency Telecommunicators in Oklahoma. The Authority shall create, maintain, and certify a list of qualified online and in-person training programs that include the basic requirement for a 9-1-1 Emergency Telecommunicator as well as coordinate and collaborate with local and regional 9-1-1 training authorities. Classes must be forty (40) hours in length and include instruction for basic call handling and dispatch services. The Authority shall establish hourly training requirements on a yearly basis. On or before July 1, 2024, all Emergency Telecommunicators must complete, either in person or virtual, a forty-eight (48) hour state recognized training course for basic call handling and dispatch. Any new Emergency Telecommunicator hired after January 1, 2024, must complete the training six (6) months after they are hired. On or before July 1, 2024, all Emergency Telecommunicators must complete, either in person or virtual, a state or nationally recognized telecommunicator CPR training course. If the state or an area of the state is utilizing Next Generation 9-1-1 system that uses the NENA i3 standard for call delivery, then the service company must provide the required data elements required by said standard. The bill amends the members of 9-1-1 Management Authority and names those members removed as nonvoting members. The fees are increased from seventy-five cents ($0.75) to One Dollar and twenty-five cents ($1.25). The distribution of revenue from 9-1-1 fees has also been modified. Eligible governing bodies are to be given a flat rate of Three Thousand Dollars ($3,000.00) per month per Public Safety Answering Point (PSAP). Of the remaining revenue, ten percent (10%) will be distributed based on response area and ninety percent (90%) will be distributed based on population. A new public safety answering point (PSAP) shall not be established after July 1, 2024, unless the new PSAP is established as a result of: 1) a consolidation with an existing PSAP; or 2) a replacement of an existing PSAP.

The bill passed the House on Thursday by a vote of 82 to 2. It has been referred for enrollment.

**Video Services/Municipal Agreements:** [HB 1599](#) by Rep. Ryan Martinez (R-Edmond) and Sen. Roger Thompson (R-Okemah) modifies the definition of "video services" to include wireline facilities that are owned, controlled, constructed, or operated by the provider of such video service and located at least in the part in the public right of way. Video services does not include video programming provided by a commercial mobile service provider as defined in 47 U.S.C., Section 332(d)(1); direct-to-home satellite services as defined in 47 U.S.C., Section 303(v) that are transmitted from a satellite directly to a customer’s premises without using or accessing any portion of the public right-of-way; or video programming accessed over the internet, including streaming content.

The House rejected the Senate amendments on Monday and sent the bill to conference.

**Sales Tax Exemption/Commercial Digital Asset Mining:** [HB 1600](#) by Rep. Ryan Martinez (R-Edmond) and Sen. John Montgomery (R-Lawton) creates the Commercial Digital Asset Mining Act of 2023. Beginning on the effective date of this act and ending on December 31, 2029, the sale of machinery and equipment including but not limited to servers and computers, racks, power distribution units, cabling, switchgear, transformers, substations, software, network equipment, and electricity used for commercial mining of digital assets in a colocation facility shall be exempt from the tax
imposed by Section 1350 et seq. of Title 68 of the Oklahoma Statutes.

The House rejected the Senate amendments on Monday and sent the bill to conference.

**Oklahoma Crime Reclassification Act of 2023:** [HB 1792](#) by Rep. Mike Osburn (R-Edmond) and Sen. Dave Rader (R-Tulsa) creates the Oklahoma Crime Reclassification Act of 2023. The bill establishes a classification for all felony criminal offenses provided for in the Oklahoma Statutes and sets forth maximum fines for each classification.

The House rejected the Senate amendments on Monday and sent the bill to conference.

**Broadband/ODOT:** [HB 1977](#) by Rep. Carl Newton (R-Cherokee) and Sen. Lonnie Paxton (R-Tuttle) requires ODOT, beginning on or before May 1, 2023, to adopt rules that provide for including broadband fiber conduit for internet service providers for all new construction, reconstruction, or repair contracts. In addition, ODOT shall consider other necessary utilities and their alternatives for providing service to resident taxpayers in adopting the emergency rules.

The House rejected the Senate amendments on Monday and sent the bill to conference.

**OWRB/Groundwater Permits:** [HB 2053](#) by Rep. David Hardin (R-Stilwell) and Sen. Brent Howard (R-Altus) provides if the Boards final action to approve an application is appealed, the applicant may take and use groundwater as set forth in the approval of the permit while any appeals are pending with the Board, in district court, or in the appellate courts. If all statutory requirements for groundwater permits are fulfilled and the Board approves the application, appeals seeking to prohibit the use of water based solely on the industry or entity applying to use the water are presumed to have no genuine issue as to any material fact and shall be dismissed pursuant to Section 2056 of Title 12 of the Oklahoma Statutes. Further, such claims shall be presumed frivolous, and the court may impose sanctions against the appellant, the appellants attorney, or both, including requiring the appellant or the appellants attorney to reimburse the appellee for reasonable costs and expenses such as reasonable attorney fees and other expenses incurred as a result of the appeal.

The House rejected the Senate amendments on Monday and sent the bill to conference.

**Terry Peach North Canadian Watershed Restoration Act:** [HB 2239](#) by Rep. Mike Dobrinski (R-Okeene) and Sen. Darcy Jech (R-Kingfisher) creates the Terry Peach North Canadian Watershed Restoration Act. There is a pilot program created to remove or eradicate invasive woody species in the North Canadian Watershed to be administered by the Oklahoma Conservation Commission. The Commission shall cooperate with landowners, state agencies and other political subdivisions for removal of invasive woody species. The Commission is authorized to promulgate any rules and procedures to effectuate the provisions of this section. The creation of a revolving fund in the State Treasury is designated the "North Canadian Watershed Revolving Fund" and consists of all monies received by the Conservation Commission from appropriations, federal grants or funds, municipal contributions, private contributions, and any other sources, including interest earned for duties associated with invasive woody species removal.

The House rejected the Senate amendments on Monday and sent the bill to conference.

**Open Records Act/Public Access Counselor/AG's Office:** [HB 2287](#) by Rep. John Pfeiffer (R-Mulhall) and Sen. Greg McCortney (R-Ada) creates the position of a Public Access Counselor Unit in the Office of the Attorney General. Any person whose request to inspect or copy a public record is denied by a public body, except the Legislature and committees, commissions, and agencies thereof, may file a request for review with the Public Access Counselor not later than thirty (30) days after the date of the final denial. The request for review must be in writing, signed by the requester, and include: a copy of the request for access to records and any response from the public body. A person who
makes the request for commercial purposes may not file a request for review. If the public body treats the request for review as a commercial purpose, the individual may file a request with the Public Access Counselor to review whether the public body properly determined the request. The Public Access Counselor must forward a copy of the request for the public body to review within seven (7) business days after receipt and specify the records or other documents that the public body shall furnish to facilitate the review. If the public body fails to respond, the AG may issue a subpoena to any person or public body having knowledge of or records pertaining to a request for review of a denial of access to records. There is a process for extending the time by the Public Access Counselor with notification to the requester and public body. The opinion shall be binding upon both the requester and the public body. Upon receipt of the binding opinion, the public body must either take the necessary action to comply or file suit in the proper district court. The AG may also issue advisory opinions to public bodies regarding compliance with this act.

The House rejected the Senate amendments on Wednesday and sent the bill to conference.

Sales Tax Exemption/Disabled Veterans/Surviving Spouse: HB 2312 by Speaker Pro Tempore Kyle Hilbert (R-Bristow) and Sen. Todd Gollihare (R-Kellyville) amends 68 O.S. Section 1357(34) allowing the surviving spouse of a one hundred percent (100%) disabled veteran to claim the surviving spouse sales tax exemption even if the one hundred percent (100%) disability determination isn't finalized until after the death of the veteran.

The House rejected the Senate amendments on Monday and sent the bill to conference.

Sales Tax/Hotels: HB 2335 by Rep. Nick Archer (R-Elk City) and Sen. Kristen Thompson (R-Edmond) removes tax reporting requirements, permit and remitting requirements under 68 O.S. 1392 from hotel products. Products include personnel property, services, or other transactions. This exception only applies to hotels with more than twelve (12) rooms for occupancy in the regular course of business by the hotel or motel.

The bill passed the House on Thursday by a vote of 83 to 0. It has been referred for enrollment.

Workers' Compensation/PTSD/First Responders: HB 2398 by Rep. Neil Hays (R-Muskogee) and. Paul Rosino (R-OKC) amends Worker’s Compensation in 85A O.S. Section 13 authorizing mental injury or illness as a compensable injury, without a physical injury, for a first responder who suffers post-traumatic stress disorder (PTSD) after responding to an emergency. The bill defines "first responder" as a law enforcement officer, firefighter, or emergency medical technician on a full-time basis by a municipality, county, or the State of Oklahoma, or a volunteer firefighter. If the treating physician is of the opinion that the first responder is temporarily unable to perform his or her job or any alternative work offered by the employer, he or she is entitled to receive compensation which is the greater of the weekly benefit provided in the collective bargaining agreement or according to the policy of the employer, or seventy percent (70%) of the injured employee's average weekly wage not to exceed the state average weekly wage. If the employee has a temporary pension benefit available and the benefit is equal to or greater than the temporary award in this system, the employer may elect to exercise the temporary pension benefit not to extend beyond fifty-two (52) weeks. If the person who receives benefits for a mental injury or illness not caused by a physical injury who, after reaching maximum medical improvement, is unable to perform the essential functions of their employment and who is not eligible to receive a disability retirement through their pension or retirement system shall be eligible to be awarded permanent disability benefits not to exceed Fifty Thousand Dollars ($50,000.00). The employer shall provide reasonable and necessary medical treatment for such an injury, subject to the Oklahoma Workers' Compensation Schedule, for a period of no longer than one (1) year. The employer is not responsible for medical treatment in the form of prescription medicine in excess of Ten Thousand Dollars ($10,000). The bill defines "post-traumatic stress disorder" to mean an injury or condition in which a first responder has been exposed to a
traumatic event and has experience, witnessed, or was confronted with an event that involved actual or threatened death or serious injury, or a threat to the physical integrity of others, and the response involved fear, helplessness, or horror and is reexperienced in several ways. The bill also defines "emergency medical technician" and "volunteer firefighter". Any city or town in this state that incurs a claim relating to post-traumatic stress disorder may, at the city or town's option, transfer the payment of all or any portion to the judgment rolls of the geographic area or areas serviced by the department of the injured worker and shall be listed on official publications as "First Responder PTSD". The effective date was moved to January 1, 2024.

The bill also defines "emergency medical technician" and "volunteer firefighter". Any city or town in this state that incurs a claim relating to post-traumatic stress disorder may, at the city or town's option, transfer the payment of all or any portion to the judgment rolls of the geographic area or areas serviced by the department of the injured worker and shall be listed on official publications as "First Responder PTSD". The effective date was moved to January 1, 2024.

The House rejected the Senate amendments on Monday and sent the bill to conference.

Judicial Security and Privacy Act of 2023: HB 2794 by Rep. Preston Stinson (R-Edmond) and Sen. Adam Pugh (R-Edmond) creates the Oklahoma Judicial Security and Privacy Act of 2023. The bill defines "at-risk individual" as any active or retired member of the State Judiciary, and shall also include municipal, county, and federal judges. Each at-risk individual as and may file a written notice as an at-risk individual, for themselves and immediate family, with each state agency that includes information necessary to ensure compliance, as determined by the Administrator Director of the Courts. Eligible at-risk individuals may also make the same request to any private entity that has publicly posted the covered information on the Internet and may ask that the information of their immediate family members also be protected. The bill prohibits data brokers from knowingly selling, licensing, trading, or purchasing private information pertaining to a judge or his or her immediate family. Additionally, the Administrator Director of the Courts is required to submit an annual report to the Legislature detailing the amount spent by the state and local governments to protect the judge's information.

The bill passed the House on Wednesday by a vote of 83 to 1. It now heads to the Senate for consideration.

Election/Dates: SB 375 by Sen. Brent Howard (R-Altus) and Rep. Carl Newton (R-Cherokee) modifies the primary election dates from the last Tuesday in June to the third Tuesday in June. The bill also provides one of the dates in which a political subdivision is authorized to call elections is the third Tuesday in June instead of the last one. Declarations of Candidacy must be filed no earlier than 8 a.m. on the first Wednesday of April of any even-numbered year and no later than 5:00 p.m. on the next succeeding Friday.

The Senate rejected the House amendments on Tuesday and sent the bill to conference. On Wednesday, the Senate rescinded the request for conference and rejection of the House amendments were rescinded.
Sales Tax Exemption/Custom Order Manufacturing: SB 1068 by Sen. Brent Howard (R-Altus) and Rep. Brad Boles (R-Marlow) modifies the definition of manufacturing to include the manufacturing, compounding, processing or fabrication of materials into articles of tangible personal property according to the special order of a customer (custom order manufacturing) by manufacturers classified as operating in North American Industry Classification System (NAICS) Sectors 32 and 33, but does not include such custom order manufacturing by manufacturers classified in other NAICS code sectors. The bill expands the sales tax exemption to include custom order manufacturing. Sales for use in a manufacturing operation shall be exempt for any manufacturer engaged in manufacturing as defined in paragraph 14 of Section 1352 of this title.

The Senate rejected the House amendments on Tuesday and sent the bill to conference.