

CLERK: (Reading)

BURBACH: This is a little clarifying amendment, and strike the word physically. It is difficult to explain this until I explain the bill and insert or stored for shipment. Which definitely means it can not be sold in the State. It is only tax exempt if it is stored for shipment at some time and that is after that word storing. So it is storing or after, or stored for shipment. I move for the adoption of the amendment.

SPEAKER: Any discussion of the amendment? Are you ready for the question? All those in favor of the amendment say aye, those opposed no. The amendment is adopted. Any further amendments? There are no further amendments, a Senator Burbach what will you do with the bill?

SENATOR BURBACH: Mr. President, members of the legislature. I move to advance LB 534 from general file to E & R for initial. Now the, the voters in Nebraska in 1960, accepted and adopted and approved of a Constitutional amendment which was offered from the floor of this legislature, for the exemption of goods that in the State, to be shipped outside of the State. Manufactured here, processed here, all year, on his passage through the State, but it must be in a bonded warehouse to gain this exemption of taxation. At that time, the discussion hinged about, that this stuff is shipped out of the State, into another State that had a free-port law and so they consequently, Nebraska received a no taxes on these items, at that time, and with the passage of, of the adoption, of the Constitutional amendment and then the following legislation in 1961, give a legal status for this property, be in the State and to be exempt from taxation if it were to be shipped on, out of the State at some later date. Now then in 1965, the legislature or I should say in January, the State Supreme Court in the case involving the Norden Laboratories held out that the law was as written, does not permit storage on the owners premises unless the area qualfys as a public warehouse. Available for use by the general public. The court also said however, that although it was the intent of the 65 legislature, to apply the exemption to private storage areas, the intent was not translated into the proper legislative language. The 65' session amended the free-port law, with specific intention of excluding warehouses, licensed after January 1, 1965 for the requirement. The facilities be offered and available for use by the general public. So now it was the legislative intent, it was so stated on the floor of the legislature, that these items not subject to tax on January 1, any public warehouse could qualify whether it were a public or a non-public warehouse. However the court in January, this last in 1973, said that the language did not so qualify. Anyone from storing in their own place and not holding themselves out to the public, even though it was intent, the wordage was not correct. So that is the reason for 534. That it would clarify the legislative intent of 1965, to permit those items that are in the State for shipment outside of the State on January 1, be exempt from taxation. Now in, it does not, this bill will not in no way affect the public warehouse, public warehouses as we know them. There can be warehouses, held out for public storage, or for private storage, as LB 534 indicates. The public warehousing will be held, kept under the supervision, jurisdiction of the State Public Services Commission, formerly known as the Railway Commission. Now in the case of the tax exemption on their own property. They will be supervised by the State Revenue Department, to determine their eligibility for the tax exemption. There is no conflict between the Revenue department or the State Public Service Commission, of this division of responsibility. So in the case of the public warehouse, there needs to be supervision by a body like the railway commission, who does not