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(Start of Belt #10)

signing of a book account, for example, to get money on the repayment of the accounts receivable. It's the same thing. We've got to keep people liquidy...liquidity and we've got to use some imagination and not wait until somebody says we got a problem.

SPEAKER: Senator Simpson and then, Senator Nore.

SENATOR SIMPSON: Mr. President, I wish to ask Senator Burbach some questions, if he would yield?

SPEAKER: Senator Burbach.

SENATOR SIMPSON: Senator Burbach, I have a little knowledge in this field, maybe not enough, but I have followed a court case that went through from Lancaster County and with great interest and I would assume that the intent of this bill was to correct what the Supreme Court said was exactly opposite then. But the first question I'd like to ask you, in the standing Committee amendments you struck "physically" and I want to know how in a private warehouse you separate things if you don't separate them physically.

SENATOR BURBACH: What's your question, Senator Simpson?

SENATOR SIMPSON: On Page 5, line 3, you struck "physically" separated and I want to know how you separate something if you don't do it physically.

SENATOR BURBACH: Oh, it doesn't mean a fence. That's what it amounts to. A fence in between them because it is one operation, one man's equipment, so you don't have to have a fence between the two of them. That's as I understand it, Senator Simpson.

SENATOR SIMPSON: Well, I sort of figured that this was it. That we was going to do it mentally in the office or something and so then they could use it as long as they wished to as long as they kept a certain amount on the pile and not worry about the assessment date, then, on it. Another, how many states would now have? Do you have any idea how many now have the right of private companies to run their own storage as a bonded or licensed warehouse without including other people?

SENATOR BURBACH: Well, I know there are 38 states that have some type of free port law on their books and that, your 534 is essentially to insure Nebraska continues to have a competitive business tax line with states which can successfully attract new industry and jobs encouraging expansion. However, to answer your question about how many states giving choice, I do not know and neither do I know of those who are public that maybe operate only as private. This could also be the case as it was in Nebraska until after the court decision.

SENATOR SIMPSON: Well then, I have a little worry about another area and maybe you could tell me your philosophy on that that. What would be the effect..with this bill passing on the bonafide bonded warehouses that we now have in the state?

SENATOR BURBACH: I think this would be impossible to determine because many of them are operating as Norden did, illegally. I do not know what's happened since January 3, Senator Simpson, but prior to that most warehouses that were using used only their own items in their storage areas or made themselves, lent themselves, and did not lent themselves out to public. Most of them did this. Now, what's happened since January 3, I am sorry I can't tell you.