

that border have that same situation. There's a great deal of opposition in that area by the grain purchasers to issues like 377 because of how that impacts their ability to receive grain across the state line. And this...does this have any softening of that impact at all? Because the law requires that grain sold in Nebraska, period, without regard of where it is produced, and that is because primarily of the Blair and NCP facilities.

SENATOR MCKENZIE: Well, Senator Coordsen, my understanding with this particular amendment is if it was a choice to store, but not necessarily sell to that elevator, and I understand that that does happen, that this exempts those producers from the excise tax unless they choose at a future time to sell then through that elevator.

SENATOR COORDSEN: For example then, if a Kansas corn producer delivered his corn to an elevator at Superior, Nebraska and at that time it automatically goes into storage when you don't do anything with it, and he elected then to sell it to a Kansas feedlot and the Kansas feedlot came to the elevator, picked up that amount of corn, he would have not been liable for the ethanol tax as long as he doesn't or she doesn't sell it to the Nebraska-based business. Is that your interpretation?

SENATOR MCKENZIE: That's correct except for the half-cent Kansas excise tax.

SENATOR COORDSEN: Yes, thank you.

SENATOR HALL: Thank you, Senator Coordsen. Senator Bernard-Stevens, on the McKenzie amendment to the McKenzie amendment.

SENATOR BERNARD-STEVENS: Thank you, Mr. President, members of the body, I'm going to use the...couple of minutes to talk about again the issue and we're drafting the amendment that I think will clarify that issue on the spending side. A couple points I'd like to make before we get to that argument to try to set the tone if I can. No one is arguing on the floor, certainly I'm not, I'm a strong supporter of ethanol and and have been a strong supporter of what Senator Wehrbein and others have been trying to do. No one is arguing that the state is not going to have an obligation. We do have an obligation to pay for it. No matter how, if we funded zero dollars today, that when the fund became so that we had to repay and come due on our promise, we