

## LEGISLATIVE BILL 1336

Approved by the Governor April 3, 1996

Introduced by Klein, 19; McKenzie, 34

AN ACT relating to grain; to amend sections 2-3601, 2-3603, 2-3614, 2-3623, and 2-3628, Reissue Revised Statutes of Nebraska, and section 66-1345.01, Revised Statutes Supplement, 1995; to define a term; to change provisions for filling vacancies on the Corn Development, Utilization, and Marketing Board; to change levy provisions for a fee on corn and refund provisions for fees and excise taxes on corn and grain sorghum; to harmonize provisions; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 2-3601, Reissue Revised Statutes of Nebraska, is amended to read:

2-3601. Sections 2-3601 to 2-3635 and section 3 of this act shall be known and may be cited as the Nebraska Corn Resources Act.

Sec. 2. Section 2-3603, Reissue Revised Statutes of Nebraska, is amended to read:

2-3603. Unless For purposes of the Nebraska Corn Resources Act, unless the context otherwise requires, the definitions found in sections 2-3604 to 2-3610 and section 3 of this act shall be used.

Sec. 3. Delivered or delivery shall mean receiving corn for any use, except for storage, and includes receiving corn for consumption, for utilization, or as a result of sale in the State of Nebraska.

Sec. 4. Section 2-3614, Reissue Revised Statutes of Nebraska, is amended to read:

2-3614. Members of the board shall be appointed by the Governor on a nonpartisan basis. Candidates for appointment by the Governor to the initial board may place their names on a candidacy list for the respective district by filing a petition signed by at least fifty growers of such district with the Governor. Candidates for appointment to subsequent boards or to fill a vacancy in either a district or at-large membership position shall file such petitions with the existing board. Qualified individuals residing within their district shall be eligible for nomination as candidates from such district.

Sec. 5. Section 2-3623, Reissue Revised Statutes of Nebraska, is amended to read:

2-3623. There is hereby levied a fee of not to exceed four-tenths of a cent per bushel upon all corn grown in the State of Nebraska and sold through commercial channels in Nebraska or delivered in Nebraska. The fee shall be paid by the grower at the time of sale or delivery and shall be collected by the first purchaser. Under the Nebraska Corn Resources Act, no corn shall be subject to the fee more than once.

Sec. 6. Section 2-3628, Reissue Revised Statutes of Nebraska, is amended to read:

2-3628. In the case of a pledge or mortgage of corn as security for a loan under the federal price support program or other government agricultural loan programs, the fee shall be deducted from the proceeds of such loan at the time the loan is made. If, within six months of the life of the loan plus thirty days after the collection of a fee for corn that is mortgaged as security for a loan under the federal price support program or other government agricultural loan programs, the grower decides to purchase the corn and use it as feed, the grower shall be entitled to a refund of the checkoff fee previously paid. The refund shall be payable by the board upon the grower's written application to the board for a refund of the amount deducted. Each application for a refund by a grower shall have attached thereto proof of the tax deducted.

Sec. 7. Section 66-1345.01, Revised Statutes Supplement, 1995, is amended to read:

66-1345.01. An excise tax is levied upon all corn and grain sorghum sold through commercial channels in Nebraska or delivered in Nebraska. The tax is three-fourths cent per bushel for corn and three-fourths cent per hundredweight for grain sorghum. The tax shall be in addition to any fee imposed pursuant to sections 2-3623 and 2-4012. The excise tax shall be imposed on any sale or delivery occurring on or after July 1, 1995, and before January 1, 2001. The Legislature finds and declares that those in production agriculture have contributed sufficiently to support the Ethanol Production

Incentive Cash Fund by the imposition of the excise tax. If additional funds are needed in the future to meet the Legislature's obligation to fully fund the Ethanol Production Incentive Cash Fund, those funds should come from sources other than production agriculture.

The excise tax shall be imposed at the time of sale or delivery and shall be collected by the first purchaser. The tax shall be collected, administered, and enforced in conjunction with the fees imposed pursuant to sections 2-3623 and 2-4012. The tax shall be collected, administered, and enforced by the Department of Agriculture. No corn or grain sorghum shall be subject to the tax imposed by this section more than once.

In the case of a pledge or mortgage of corn or grain sorghum as security for a loan under the federal price support program, the excise tax shall be deducted from the proceeds of such loan at the time the loan is made. If, within six months of the life of the loan plus thirty days after the collection of the excise tax for corn or grain sorghum that is mortgaged as security for a loan under the federal price support program, the grower of the corn or grain sorghum so mortgaged decides to purchase the corn or grain sorghum and use it as feed, the grower shall be entitled to a refund of the excise tax previously paid. The refund shall be payable by the department upon the grower's written application for a refund. The application shall have attached proof of the tax deducted.

The excise tax shall be deducted whether the corn or grain sorghum is stored in this or any other state. The excise tax shall not apply to the sale of corn or grain sorghum to the federal government for ultimate use or consumption by the people of the United States when the State of Nebraska is prohibited from imposing such tax by the Constitution of the United States and laws enacted pursuant thereto.

Sec. 8. Original sections 2-3601, 2-3603, 2-3614, 2-3623, and 2-3628, Reissue Revised Statutes of Nebraska, and section 66-1345.01, Revised Statutes Supplement, 1995, are repealed.