
SUBSTITUTE SENATE BILL 6806

State of Washington 60th Legislature 2008 Regular Session

By Senate Agriculture & Rural Economic Development (originally sponsored by Senators Haugen, Rasmussen, and Shin)

READ FIRST TIME 02/08/08.

1 AN ACT Relating to property and leasehold excise tax exemptions for
2 anaerobic digester production; amending RCW 84.36.635; reenacting and
3 amending RCW 82.29A.135; and providing an effective date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 84.36.635 and 2003 c 261 s 9 are each amended to read
6 as follows:

7 (1) For the purposes of this section:

8 (a) "Alcohol fuel" means any alcohol made from a product other than
9 petroleum or natural gas, which is used alone or in combination with
10 gasoline or other petroleum products for use as a fuel for motor
11 vehicles, farm implements, and machines or implements of husbandry.

12 (b) "Anaerobic digester" has the same meaning as provided in RCW
13 82.08.900.

14 (c) "Biodiesel feedstock" means oil that is produced from an
15 agricultural crop for the sole purpose of ultimately producing
16 biodiesel fuel.

17 ((+e)) (d) "Biodiesel fuel" means a mono alkyl ester of long chain
18 fatty acids derived from vegetable oils or animal fats for use in

1 compression-ignition engines and that meets the requirements of the
2 American society of testing and materials specification D 6751 in
3 effect as of January 1, 2003.

4 (2)(a) All buildings, machinery, equipment, and other personal
5 property which (~~(is)~~) are used primarily for the manufacturing of
6 alcohol fuel, biodiesel fuel, (~~(or)~~) biodiesel feedstock, or the
7 operation of an anaerobic digester, the land upon which this property
8 is located, and land that is reasonably necessary in the manufacturing
9 of alcohol fuel, biodiesel fuel, (~~(or)~~) biodiesel feedstock, or the
10 operation of an anaerobic digester, but not land necessary for growing
11 of crops, which together comprise a new manufacturing facility or an
12 addition to an existing manufacturing facility, are exempt from
13 property taxation for the six assessment years following the date on
14 which the facility or the addition to the existing facility becomes
15 operational.

16 (b) For manufacturing facilities which produce products in addition
17 to alcohol fuel, biodiesel fuel, or biodiesel feedstock, the amount of
18 the property tax exemption shall be based upon the annual percentage of
19 the total value of all products manufactured that is the value of the
20 alcohol fuel, biodiesel fuel, and biodiesel feedstock manufactured.

21 (3) Claims for exemptions authorized by this section shall be filed
22 with the county assessor on forms prescribed by the department of
23 revenue and furnished by the assessor. Once filed, the exemption is
24 valid for six years and shall not be renewed. The assessor shall
25 verify and approve claims as the assessor determines to be justified
26 and in accordance with this section. No claims may be filed after
27 December 31, 2009, except for claims for anaerobic digesters, which may
28 be filed no later than December 31, 2012.

29 The department of revenue may promulgate such rules, pursuant to
30 chapter 34.05 RCW, as necessary to properly administer this section.

31 **Sec. 2.** RCW 82.29A.135 and 2003 c 339 s 10 and 2003 c 261 s 10 are
32 each reenacted and amended to read as follows:

33 (1) For the purposes of this section:

34 (a) "Alcohol fuel" means any alcohol made from a product other than
35 petroleum or natural gas, which is used alone or in combination with
36 gasoline or other petroleum products for use as a fuel for motor
37 vehicles, farm implements, and machines or implements of husbandry.

1 (b) "Anaerobic digester" has the same meaning as provided in RCW
2 82.08.900.

3 (c) "Biodiesel feedstock" means oil that is produced from an
4 agricultural crop for the sole purpose of ultimately producing
5 biodiesel fuel.

6 ((+e)) (d) "Biodiesel fuel" means a mono alkyl ester of long chain
7 fatty acids derived from vegetable oils or animal fats for use in
8 compression-ignition engines and that meets the requirements of the
9 American society of testing and materials specification D 6751 in
10 effect as of January 1, 2003.

11 ((+d)) (e) "Wood biomass fuel" means a pyrolytic liquid fuel or
12 synthesis gas-derived liquid fuel, used in internal combustion engines,
13 and produced from wood, forest, or field residue, or dedicated energy
14 crops that do not include wood pieces that have been treated with
15 chemical preservatives such as creosote, pentachlorophenol, or copper-
16 chroma-arsenic.

17 (2)(a) All leasehold interests in buildings, machinery, equipment,
18 and other personal property which ((is)) are used primarily for the
19 manufacturing of alcohol fuel, wood biomass fuel, biodiesel fuel,
20 ((or)) biodiesel feedstock, or the operation of an anaerobic digester,
21 the land upon which this property is located, and land that is
22 reasonably necessary in the manufacturing of alcohol fuel, wood biomass
23 fuel, biodiesel fuel, ((or)) biodiesel feedstock, or the operation of
24 an anaerobic digester, but not land necessary for growing of crops,
25 which together comprise a new manufacturing facility or an addition to
26 an existing manufacturing facility, are exempt from leasehold taxes for
27 a period of six years from the date on which the facility or the
28 addition to the existing facility becomes operational.

29 (b) For manufacturing facilities which produce products in addition
30 to alcohol fuel, wood biomass fuel, biodiesel fuel, or biodiesel
31 feedstock, the amount of the leasehold tax exemption shall be based
32 upon the annual percentage of the total value of all products
33 manufactured that is the value of the alcohol fuel, wood biomass fuel,
34 biodiesel fuel, and biodiesel feedstock manufactured.

35 (3) Claims for exemptions authorized by this section shall be filed
36 with the department of revenue on forms prescribed by the department of
37 revenue and furnished by the department of revenue. Once filed, the
38 exemption is valid for six years and shall not be renewed. The

1 department of revenue shall verify and approve claims as the department
2 of revenue determines to be justified and in accordance with this
3 section. No claims may be filed after December 31, 2009, except for
4 claims for anaerobic digesters, which may be filed no later than
5 December 31, 2012.

6 The department of revenue may promulgate such rules, pursuant to
7 chapter 34.05 RCW, as are necessary to properly administer this
8 section.

9 NEW SECTION. **Sec. 3.** This act takes effect July 1, 2008.

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