
ENGROSSED SUBSTITUTE SENATE BILL 5541

State of Washington

57th Legislature

2001 Regular Session

By Senate Committee on Environment, Energy & Water (originally sponsored by Senators Jacobsen, Eide, Patterson, Fraser, Regala, Kline, Spanel, Kohl-Welles, Roach and Winsley; by request of Governor Locke)

READ FIRST TIME 02/16/01.

1 AN ACT Relating to responding to energy supply shortages; amending
2 RCW 82.08.02567, 82.12.02567, 44.39.010, and 44.39.015; providing an
3 effective date; providing expiration dates; and declaring an emergency.

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

5 **Sec. 1.** RCW 82.08.02567 and 1999 c 358 s 4 are each amended to
6 read as follows:

7 (1) The tax levied by RCW 82.08.020 shall not apply to sales of
8 machinery and equipment used directly in generating electricity using
9 wind, fuel cells, biomass waste, sun, or landfill gas as the principal
10 source of power, or to sales of or charges made for labor and services
11 rendered in respect to installing such machinery and equipment, but
12 only if the purchaser develops with such machinery, equipment, and
13 labor a facility capable of generating not less than two hundred
14 (~~kilowatts~~) watts of electricity and provides the seller with an
15 exemption certificate in a form and manner prescribed by the department
16 (~~by rule~~). The seller shall retain a copy of the certificate for the
17 seller's files.

18 (2) For purposes of this section and RCW 82.12.02567:

1 (a) "Landfill gas" means biomass fuel of the type qualified for
2 federal tax credits under 26 U.S.C. Sec. 29 collected from a landfill.
3 "Landfill" means a landfill as defined under RCW 70.95.030;

4 (b) "Machinery and equipment" means industrial fixtures, devices,
5 and support facilities that are integral and necessary to the
6 generation of electricity using wind, fuel cells, biomass waste, sun,
7 or landfill gas as the principal source of power;

8 (c) "Machinery and equipment" does not include: (i) Hand-powered
9 tools; (ii) property with a useful life of less than one year; (iii)
10 repair parts required to restore machinery and equipment to normal
11 working order; (iv) replacement parts that do not increase
12 productivity, improve efficiency, or extend the useful life of
13 machinery and equipment; (v) buildings; or (vi) building fixtures that
14 are not integral and necessary to the generation of electricity that
15 are permanently affixed to and become a physical part of a building;

16 (d) Machinery and equipment is "used directly" in generating
17 electricity with fuel cells or by wind energy, solar energy, or
18 landfill gas power or biomass waste power, if it provides any part of
19 the process that captures the energy of the wind, biomass waste, sun,
20 or landfill gas, converts that energy to electricity, and stores,
21 transforms, or transmits that electricity for entry into or operation
22 in parallel with electric transmission and distribution systems;

23 (e) "Fuel cell" means an electrochemical reaction that generates
24 electricity by combining atoms of hydrogen and oxygen in the presence
25 of a catalyst;

26 (f) "Biomass waste" means organic materials such as animal waste,
27 food processing waste, wood and agricultural residues, sewage, and
28 municipal solid waste.

29 (3) This section expires June 30, (~~2005~~) 2009.

30
31 **Sec. 2.** RCW 82.12.02567 and 1999 c 358 s 10 are each amended to
32 read as follows:

33 (1) The provisions of this chapter shall not apply with respect to
34 machinery and equipment used directly in generating not less than two
35 hundred (~~kilowatts~~) watts of electricity using wind, fuel cells,
36 biomass waste, sun, or landfill gas as the principal source of power.

37 (2) The definitions in RCW 82.08.02567 apply to this section.

38 (3) This section expires June 30, (~~2005~~) 2009.

1 **Sec. 3.** RCW 44.39.010 and 1977 ex.s. c 328 s 13 are each amended
2 to read as follows:

3 There is hereby created the joint committee on energy ~~((and~~
4 ~~utilities))~~ shortages of the legislature of the state of Washington.

5 **Sec. 4.** RCW 44.39.015 and 1977 ex.s. c 328 s 14 are each amended
6 to read as follows:

7 The committee shall consist of four senators and four
8 representatives who shall be selected biennially as follows:

9 (1) The president of the senate shall ~~((nominate))~~ appoint four
10 members from the ~~((energy and utilities))~~ senate to serve on the
11 committee, including the ~~((chairman,))~~ chairperson of the committee
12 responsible for energy issues. Two members ~~((being))~~ from each major
13 political party~~((, to serve on the committee, and shall submit the list~~
14 of nominees to the senate for confirmation. Upon confirmation, the
15 senators shall be deemed installed as members)) must be appointed.

16 (2) The speaker or co-speakers of the house of representatives
17 shall nominate four members from the ~~((energy and utilities))~~ house of
18 representatives to serve on the committee, including the ~~((chairman,))~~
19 chairperson or cochairs of the committee responsible for energy issues.
20 Two members ~~((being))~~ from each major political party~~((, to serve on~~
21 the committee, and shall submit the list of nominees to the house of
22 representatives for confirmation. Upon confirmation, the
23 representatives shall be deemed installed as members. The chairmen of
24 the senate and house energy and utilities committees shall alternately
25 serve as chairman for one year terms. The chairman of the house
26 committee shall serve as the initial chairman. The chairman may
27 designate another committee member to serve as chairman in his or her
28 absence)) must be appointed.

29 (3) The committee shall elect a chairperson and a vice-chairperson.
30 The chairperson shall be a member of the house of representatives in
31 even-numbered years and a member of the senate in odd-numbered years.
32 In the case of a tie in the membership of the house of representatives
33 in an even-numbered year, the committee shall elect cochairs from the
34 house of representatives in that year.

35 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
36 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and takes effect
2 July 1, 2001.

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