

SENATE BILL REPORT

SB 6424

As Reported By Senate Committee On:
Agriculture & Rural Economic Development, January 31, 2006

Title: An act relating to a property tax exemption for land used for growing agricultural crops used in the production of biodiesel feedstock.

Brief Description: Providing a property tax exemption for land used for growing crops used in the production of biodiesel feedstock.

Sponsors: Senators Schoesler, Rasmussen, Morton, Mulliken and Benton.

Brief History:

Committee Activity: Agriculture & Rural Economic Development: 1/30/06, 1/31/06 [DPS-WM].

SENATE COMMITTEE ON AGRICULTURE & RURAL ECONOMIC DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 6424 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Rasmussen, Chair; Shin, Vice Chair; Schoesler, Ranking Minority Member; Delvin, Jacobsen, Morton and Sheldon.

Staff: Bob Lee (786-7404)

Background: The production of biodiesel from agricultural commodities produced in Washington State is a current topic of interest in the Legislature. A number of options are being examined to encourage increased production of crops that can be converted to biodiesel.

Summary of Substitute Bill: Land upon which feedstock for biodiesel is produced is exempt from the state portion of the property tax. If a portion of the land parcel is used to grow crops for biodiesel production and another portion to grow other crops, only the acreage used to grow a crop for biodiesel production is exempt.

A claim of exemption may be filed with the county assessor by November 1 of the year in which the qualifying crop is harvested. A claim of exemption shall be for taxes due and payable in the year following the year in which the claim is filed.

Land on which buildings are situated is not exempt. The Department of Revenue may adopt rules to implement this act.

Substitute Bill Compared to Original Bill: Land on which buildings are situated is not exempt. If a parcel contains multiple fields, only the acreage in the fields used to grow biofuel feedstock are exempt. Land used to grow biodiesel feedstock is eligible for the exemption whether or not the land is enrolled in the open spaces program.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: With the interest in biodiesel, this is a way to provide incentives to farmers to grow crops that can be used for biodiesel production.

Testimony Against: None.

Who Testified: PRO: Senator Mark Schoesler, prime sponsor.