

# SENATE BILL REPORT

## SB 6554

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As Reported By Senate Committee On:  
Water, Energy & Telecommunications, February 08, 2008

**Title:** An act relating to waste vegetable oil.

**Brief Description:** Excluding waste vegetable oil from the special fuel tax.

**Sponsors:** Senators Roach, Rockefeller, Rasmussen, Kline, Stevens, Delvin, McCaslin, Shin and Holmquist.

**Brief History:**

**Committee Activity:** Water, Energy & Telecommunications: 1/29/08, 2/08/08 [DPS-TRAN].

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### SENATE COMMITTEE ON WATER, ENERGY & TELECOMMUNICATIONS

**Majority Report:** That Substitute Senate Bill No. 6554 be substituted therefor, and the substitute bill do pass and be referred to Committee on Transportation.

Signed by Senators Rockefeller, Chair; Honeyford, Ranking Minority Member; Delvin, Fraser, Hatfield, Holmquist, Morton, Oemig, Pridemore and Regala.

**Staff:** Sam Thompson (786-7413)

**Background:** Biodiesel producers blending and selling biodiesel are subject to state licensing requirements and special fuel tax liability. The special fuel tax is imposed at a rate of 36 cents per gallon, increasing to 37.5 cents per gallon on July 1, 2008. The state Department of Licensing interprets current law to impose special fuel tax liability on persons collecting waste vegetable oil for use as fuel in their own vehicles.

**Summary of Bill (Recommended Substituted):** The definition of "special fuel" subject to the special fuel tax is revised to exclude waste vegetable oil (i.e., used cooking oil) purchased or collected from food service establishments or food processing plants and not resold. Similar sales and use tax exemptions are also specified.

**EFFECT OF CHANGES MADE BY WATER, ENERGY & TELECOMMUNICATIONS COMMITTEE (Recommended Substitute):** Sales and use tax exemptions are provided for waste vegetable oil purchased or collected from food service establishments or food processing plants and not resold. "Waste vegetable" oil is defined as used cooking oil.

**Appropriation:** None.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony on Original Bill:** PRO: Waste vegetable oil is an environmentally-friendly fuel that is better for vehicles than diesel. Its use as fuel helps to reduce discarding of used vegetable oil, which can contaminate groundwater. Use of this carbon-neutral fuel, reducing greenhouse gas emissions, should be encouraged; it is one more way to address concerns regarding climate change.

**Persons Testifying:** PRO: Senator Roach, prime sponsor; Gary Morris, Bonney Lake resident; Christopher Goodwin, Seattle resident; Toni Potter, League of Women Voters.