
SENATE BILL 6806

State of Washington

60th Legislature

2008 Regular Session

By Senators Haugen, Rasmussen, and Shin

Read first time 01/24/08. Referred to Committee on Agriculture & Rural Economic Development.

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" means a facility that processes manure
13 from livestock into biogas and dried manure using microorganisms in a
14 decomposition process within a closed, oxygen-free container.

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

18 ((+e)) (d) "Biodiesel fuel" means a mono alkyl ester of long chain
19 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) The following are exempt from property taxation for the six
5 assessment years following the date on which the facility or the
6 addition to the existing facility becomes operational:

7 (a) All anaerobic digesters;

8 (b) All buildings, machinery, equipment, and other personal
9 property which ~~((is))~~ are used primarily for:

10 (i) The manufacturing of alcohol fuel, biodiesel fuel, or biodiesel
11 feedstock~~((r))~~; or

12 (ii) Anaerobic digesters; and

13 (c)(i) The land upon which ~~((this))~~ the property under (b) of this
14 subsection is located, and land that is reasonably necessary in:

15 (A) The manufacturing of alcohol fuel, biodiesel fuel, or biodiesel
16 feedstock, but not land necessary for growing of crops~~((, which))~~; or

17 (B) The processing of manure in an anaerobic digester; and

18 (ii) The land and property together comprise a new manufacturing
19 facility or an addition to an existing manufacturing facility~~((, are~~
20 ~~exempt from property taxation for the six assessment years following~~
21 ~~the date on which the facility or the addition to the existing facility~~
22 ~~becomes operational))~~)).

23 ~~((b))~~ (3) For manufacturing facilities which produce products in
24 addition to alcohol fuel, biodiesel fuel, or biodiesel feedstock, the
25 amount of the property tax exemption shall be based upon the annual
26 percentage of the total value of all products manufactured that is the
27 value of the alcohol fuel, biodiesel fuel, and biodiesel feedstock
28 manufactured.

29 ~~((3))~~ (4) Claims for exemptions authorized by this section shall
30 be filed with the county assessor on forms prescribed by the department
31 of revenue and furnished by the assessor. Once filed, the exemption is
32 valid for six years and shall not be renewed. The assessor shall
33 verify and approve claims as the assessor determines to be justified
34 and in accordance with this section. No claims may be filed after
35 December 31, 2009.

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

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

3 (1) For the purposes of this section:

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

8 (b) "Anaerobic digester" means a facility that processes manure
9 from livestock into biogas and dried manure using microorganisms in a
10 decomposition process within a closed, oxygen-free container.

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

14 (~~(c)~~) (d) "Biodiesel fuel" means a mono alkyl ester of long chain
15 fatty acids derived from vegetable oils or animal fats for use in
16 compression-ignition engines and that meets the requirements of the
17 American society of testing and materials specification D 6751 in
18 effect as of January 1, 2003.

19 (~~(d)~~) (e) "Wood biomass fuel" means a pyrolytic liquid fuel or
20 synthesis gas-derived liquid fuel, used in internal combustion engines,
21 and produced from wood, forest, or field residue, or dedicated energy
22 crops that do not include wood pieces that have been treated with
23 chemical preservatives such as creosote, pentachlorophenol, or copper-
24 chroma-arsenic.

25 (2) The following are exempt from leasehold taxes for a period of
26 six years from the date on which the facility or the addition to the
27 existing facility becomes operational:

28 (a) All leasehold interests in an anaerobic digester;

29 (b) All leasehold interests in buildings, machinery, equipment, and
30 other personal property which (~~is~~) are used primarily for:

31 (i) The manufacturing of alcohol fuel, wood biomass fuel, biodiesel
32 fuel, or biodiesel feedstock(~~(s)~~); or

33 (ii) Anaerobic digesters; and

34 (c)(i) The land upon which (~~this~~) the property under (b) of this
35 subsection is located, and land that is reasonably necessary in:

36 (A) The manufacturing of alcohol fuel, wood biomass fuel, biodiesel
37 fuel, or biodiesel feedstock, but not land necessary for growing of
38 crops(~~(s) which~~); or

1 (B) The processing of manure in an anaerobic digester; and
2 (ii) The land and property together comprise a new manufacturing
3 facility or an addition to an existing manufacturing facility(~~(, are~~
4 ~~exempt from leasehold taxes for a period of six years from the date on~~
5 ~~which the facility or the addition to the existing facility becomes~~
6 ~~operational))~~).

7 ~~((b))~~ (3) For manufacturing facilities which produce products in
8 addition to alcohol fuel, wood biomass fuel, biodiesel fuel, or
9 biodiesel feedstock, the amount of the leasehold tax exemption shall be
10 based upon the annual percentage of the total value of all products
11 manufactured that is the value of the alcohol fuel, wood biomass fuel,
12 biodiesel fuel, and biodiesel feedstock manufactured.

13 ~~((3))~~ (4) Claims for exemptions authorized by this section shall
14 be filed with the department of revenue on forms prescribed by the
15 department of revenue and furnished by the department of revenue. Once
16 filed, the exemption is valid for six years and shall not be renewed.
17 The department of revenue shall verify and approve claims as the
18 department of revenue determines to be justified and in accordance with
19 this section. No claims may be filed after December 31, 2009.

20 The department of revenue may promulgate such rules, pursuant to
21 chapter 34.05 RCW, as are necessary to properly administer this
22 section.

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

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