
SECOND SUBSTITUTE SENATE BILL 5947

State of Washington

57th Legislature

2001 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Rasmussen, Morton, Gardner and Honeyford)

READ FIRST TIME 03/27/01.

1 AN ACT Relating to tax exemptions for dairy farmers and anaerobic
2 digesters; adding new sections to chapter 82.08 RCW; adding new
3 sections to chapter 82.12 RCW; creating a new section; and declaring an
4 emergency.

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

6 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
7 provide tax exemptions to assist dairy farmers to comply with the dairy
8 nutrient management act, chapter 90.64 RCW, and to assist public or
9 private entities to establish and operate anaerobic digesters to treat
10 dairy nutrients on a regional or on-farm basis.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08 RCW
12 to read as follows:

13 (1) The tax levied by RCW 82.08.020 does not apply to sales to
14 eligible persons of services rendered in respect to operating,
15 repairing, cleaning, altering, or improving of dairy nutrient
16 management equipment and facilities, or to sales of tangible personal
17 property that becomes an ingredient or component of the equipment and
18 facilities. The equipment and facilities must be used exclusively for

1 activities necessary to maintain a dairy nutrient management plan as
2 required under chapter 90.64 RCW. This exemption applies to sales made
3 after the dairy nutrient management plan is certified under chapter
4 90.64 RCW.

5 (2)(a) The department of revenue must provide an exemption
6 certificate to an eligible person upon application by that person. The
7 department of agriculture must provide a list of eligible persons to
8 the department of revenue. The application must be in a form and
9 manner prescribed by the department and must contain information
10 regarding the location of the dairy and other information the
11 department may require.

12 (b) The exemption is available only when the buyer provides the
13 seller with an exemption certificate in a form and manner prescribed by
14 the department. The seller must retain a copy of the certificate for
15 the seller's files.

16 (3) The definitions in this subsection apply to this section and
17 section 3 of this act unless the context clearly requires otherwise:

18 (a) "Dairy nutrient management equipment and facilities" means
19 machinery, equipment, and structures used in the handling and treatment
20 of dairy manure, such as aerators, agitators, alley scrapers, augers,
21 dams, gutter cleaners, loaders, lagoons, pipes, pumps, separators, and
22 tanks. The term also includes tangible personal property that becomes
23 an ingredient or component of the equipment and facilities, including
24 repair and replacement parts.

25 (b) "Eligible person" means a person licensed to produce milk under
26 chapter 15.36 RCW who has a certified dairy nutrient management plan by
27 December 31, 2003, as required by chapter 90.64 RCW.

28 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.12 RCW
29 to read as follows:

30 The provisions of this chapter do not apply with respect to the use
31 by an eligible person of tangible personal property that becomes an
32 ingredient or component of dairy nutrient management equipment and
33 facilities, as defined in section 2 of this act. The equipment and
34 facilities must be used exclusively for activities necessary to
35 maintain a dairy management plan as required under chapter 90.64 RCW.
36 This exemption applies to the use of tangible personal property made
37 after the dairy nutrient management plan is certified under chapter

1 90.64 RCW. The exemption certificate and recordkeeping requirements of
2 section 2 of this act apply to this section.

3 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.08 RCW
4 to read as follows:

5 (1) The tax levied by RCW 82.08.020 does not apply to sales to an
6 eligible person establishing or operating an anaerobic digester or to
7 services rendered in respect to installing, constructing, repairing,
8 cleaning, altering, or improving an anaerobic digester, or to sales of
9 tangible personal property that becomes an ingredient or component of
10 the anaerobic digester. The anaerobic digester must be used primarily
11 to treat dairy manure.

12 (2)(a) The department of revenue must provide an exemption
13 certificate to an eligible person upon application by that person. The
14 application must be in a form and manner prescribed by the department
15 and must contain information regarding the location of the facility and
16 other information as the department may require.

17 (b) The exemption is available only when the buyer provides the
18 seller with an exemption certificate in a form and manner prescribed by
19 the department. The seller must retain a copy of the certificate for
20 the seller's files.

21 (3) The definitions in this subsection apply to this section and
22 section 5 of this act unless the context clearly requires otherwise:

23 (a) "Anaerobic digester" means a facility that processes manure
24 from cattle into biogas and dried manure using microorganisms in a
25 decomposition process within a closed, oxygen-free container.

26 (b) "Eligible person" means any person establishing or operating an
27 anaerobic digester to treat primarily dairy manure.

28 (c) "Primarily" means more than fifty percent measured by volume or
29 weight.

30 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.12 RCW
31 to read as follows:

32 The provisions of this chapter do not apply with respect to the use
33 of anaerobic digesters or tangible personal property that becomes an
34 ingredient or component of anaerobic digesters to treat primarily dairy
35 manure by an eligible person establishing or operating an anaerobic
36 digester, as defined in section 4 of this act.

1 NEW SECTION. **Sec. 6.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of the
3 state government and its existing public institutions, and takes effect
4 immediately.

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