

# SENATE BILL REPORT

## SB 5960

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As Reported By Senate Committee On:  
Agriculture & Rural Economic Development, February 24, 2005

**Title:** An act relating to the nutrient management plan sales and use tax exemption.

**Brief Description:** Modifying the nutrient management plan sales and use tax exemption.

**Sponsors:** Senator Rasmussen.

**Brief History:**

**Committee Activity:** Agriculture & Rural Economic Development: 2/24/05 [DPS-WM].

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### SENATE COMMITTEE ON AGRICULTURE & RURAL ECONOMIC DEVELOPMENT

**Majority Report:** That Substitute Senate Bill No. 5960 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 and Morton.

**Staff:** Bob Lee (786-7404)

**Background:** In 1998, the Dairy Nutrient Management Act required all dairies to develop and implement nutrient management plans for water quality protection purposes. Deadlines were established by which plans were to be developed and implemented.

In 2001, the Legislature provided sales and use tax exemptions to assist dairy farmers to comply with the act. The exemption applied only after the nutrient management plan was certified as being fully implemented.

This year, legislation is being considered which broadens the requirement for development and implementation of nutrient management plans by additional sectors of the livestock industry. This legislation is the result of federal rules adopted in 2003 by the federal Environmental Protection Agency.

**Summary of Substitute Bill:** The sales and use tax exemptions previously available for dairies that have nutrient management plans certified as being implemented are extended to other livestock operations that also have certified plans. The exemption applies to nutrient management equipment and facilities and to services to operate or repair of such equipment and facilities.

This bill is null and void if the Livestock Nutrient Management Act in SB 5602 or HB 1615 has not taken effect by September 1, 2005.

**Substitute Bill Compared to Original Bill:** The substitute bill includes a technical change.

**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:** The cost to livestock operations for complying with new federal water quality requirements pose a significant burden and will require expenditure of significant funds. In recognition of the public benefits to be achieved, offsetting a small portion of these additional costs through a sales tax exemption is appreciated and would improve the continued viability of these agricultural operations. The concern was expressed that the estimated cost shown in preliminary fiscal note is too high.

**Testimony Against:** None.

**Who Testified:** PRO: Heather Hansen and David Seacrist, Washington Cattle Feeders Association; Chris Cheney, Washington Fryer Commission; LaDon Linde, Washington State Dairy Federation; Jack Field, Washington Cattlemen's Association; John Stuhlmiller, Farm Bureau; and Chad Henneman; Cattle Producers of Washington.