
SUBSTITUTE HOUSE BILL 2116

State of Washington 59th Legislature 2005 Regular Session

By House Committee on Economic Development, Agriculture & Trade
(originally sponsored by Representatives Pettigrew, Newhouse and
Linville)

READ FIRST TIME 03/07/05.

1 AN ACT Relating to livestock nutrient management equipment and
2 facilities; amending RCW 82.08.890, 82.12.890, 82.08.900, and
3 82.12.900; amending 2001 2nd sp.s. c 18 s 1 (uncodified); and declaring
4 an emergency.

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

6 **Sec. 1.** 2001 2nd sp.s. c 18 s 1 (uncodified) is amended to read as
7 follows:

8 It is the intent of the legislature to provide tax exemptions to
9 assist ((dairy)) livestock farmers to comply with ((the dairy nutrient
10 management act,)) chapter 90.64 RCW, and to assist public or private
11 entities to establish and operate anaerobic digesters to treat
12 ((dairy)) livestock nutrients on a regional or on-farm basis.

13 **Sec. 2.** RCW 82.08.890 and 2001 2nd sp.s. c 18 s 2 are each amended
14 to read as follows:

15 (1) The tax levied by RCW 82.08.020 does not apply to sales to
16 eligible persons of services rendered in respect to operating,
17 repairing, cleaning, altering, or improving of ((dairy)) livestock
18 nutrient management equipment and facilities, or to sales of tangible

1 personal property that becomes an ingredient or component of the
2 equipment and facilities. The equipment and facilities must be used
3 exclusively for activities necessary to maintain a ((dairy)) nutrient
4 management plan ((as)) required under chapter 90.64 RCW. This
5 exemption applies to sales made after the ((dairy)) nutrient management
6 plan is certified under chapter 90.64 RCW.

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

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

18 (3) The definitions in this subsection apply to this section and
19 RCW 82.12.890 unless the context clearly requires otherwise:

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

27 (b) "Eligible person" means a person (i) licensed to produce milk
28 under chapter 15.36 RCW or (ii) holding a livestock national pollutant
29 discharge elimination system permit, who has a certified ((dairy))
30 livestock nutrient management plan by December 31, ((2003, as required

31 ~~by chapter 90.64 RCW~~)) 2006.

32 **Sec. 3.** RCW 82.12.890 and 2003 c 5 s 15 are each amended to read
33 as follows:

34 The provisions of this chapter do not apply with respect to the use
35 by an eligible person of tangible personal property that becomes an
36 ingredient or component of ((dairy)) livestock nutrient management
37 equipment and facilities, as defined in RCW 82.08.890, or to labor and

1 services rendered in respect to repairing, cleaning, altering, or
2 improving eligible tangible personal property. The equipment and
3 facilities must be used exclusively for activities necessary to
4 maintain a ((dairy)) nutrient management plan as required under chapter
5 90.64 RCW. This exemption applies to the use of tangible personal
6 property or labor and services made after the ((dairy)) nutrient
7 management plan is certified under chapter 90.64 RCW. The exemption
8 certificate and recordkeeping requirements of RCW 82.08.890 apply to
9 this section.

10 **Sec. 4.** RCW 82.08.900 and 2001 2nd sp.s. c 18 s 4 are each amended
11 to read as follows:

12 (1) The tax levied by RCW 82.08.020 does not apply to sales to an
13 eligible person establishing or operating an anaerobic digester or to
14 services rendered in respect to installing, constructing, repairing,
15 cleaning, altering, or improving an anaerobic digester, or to sales of
16 tangible personal property that becomes an ingredient or component of
17 the anaerobic digester. The anaerobic digester must be used primarily
18 to treat ((dairy)) livestock manure.

19 (2)(a) The department of revenue must provide an exemption
20 certificate to an eligible person upon application by that person. The
21 application must be in a form and manner prescribed by the department
22 and must contain information regarding the location of the facility and
23 other information as the department may require.

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

28 (3) The definitions in this subsection apply to this section and
29 RCW 82.12.900 unless the context clearly requires otherwise:

30 (a) "Anaerobic digester" means a facility that processes manure
31 from ((cattle)) livestock into biogas and dried manure using
32 microorganisms in a decomposition process within a closed, oxygen-free
33 container.

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

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

1 **Sec. 5.** RCW 82.12.900 and 2003 c 5 s 16 are each amended to read
2 as follows:

3 The provisions of this chapter do not apply with respect to the use
4 of anaerobic digesters, tangible personal property that becomes an
5 ingredient or component of anaerobic digesters, or the use of services
6 rendered in respect to installing, repairing, cleaning, altering, or
7 improving eligible tangible personal property by an eligible person
8 establishing or operating an anaerobic digester, as defined in RCW
9 82.08.900. The anaerobic digester must be used primarily to treat
10 ((~~dairy~~)) livestock manure.

11 NEW SECTION. **Sec. 6.** This act is necessary for the immediate
12 preservation of the public peace, health, or safety, or support of the
13 state government and its existing public institutions, and takes effect
14 immediately.

--- END ---