

---

SENATE BILL 6424

---

State of Washington

59th Legislature

2006 Regular Session

By Senators Schoesler, Rasmussen, Morton, Mulliken and Benton

Read first time 01/12/2006. Referred to Committee on Agriculture & Rural Economic Development.

1 AN ACT Relating to a property tax exemption for land used for  
2 growing agricultural crops used in the production of biodiesel  
3 feedstock; and adding a new section to chapter 84.36 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 84.36 RCW  
6 to read as follows:

7 (1) Land used for growing agricultural crops used in the production  
8 of biodiesel feedstock is exempt from the state property tax levied in  
9 RCW 84.52.065, to the extent provided in subsection (2) of this  
10 section, if the assessed value of the land is determined pursuant to  
11 chapter 84.34 RCW.

12 (2)(a) Land used primarily for growing agricultural crops used in  
13 the production of biodiesel feedstock is exempt from the state property  
14 tax levied in RCW 84.52.065.

15 (b) For land used to primarily grow agricultural crops, including  
16 crops used in the production of biodiesel feedstock, and such crops are  
17 grown on a rotational basis, the value of the land exempt from the  
18 state property tax levied in RCW 84.52.065 is the assessed value of the  
19 land multiplied by a fraction. The fraction is equal to one divided by

1 the number of different crops in the rotational cycle, unless the  
2 rotational cycle is less than one year in which case the fraction is  
3 equal to one.

4 (c) For land used to primarily grow agricultural crops and several  
5 different types of crops are grown at the same time at various  
6 locations on the land, the value of the land exempt from the state  
7 property tax levied in RCW 84.52.065 is the assessed value of the land  
8 multiplied by a fraction. The numerator of this fraction is the value  
9 of the agricultural crops sold for use in the production of biodiesel  
10 feedstock, for the previous calendar year. The denominator of this  
11 fraction is the value of all agricultural crops grown on the land, for  
12 the previous calendar year. A person taking an exemption under this  
13 subsection (2)(c) shall report the value of agricultural crops sold the  
14 previous calendar year to the county assessor by February 1 of each  
15 calendar year in which the exemption will be taken. A person taking an  
16 exemption under this subsection (2)(c) must initially apply for the  
17 exemption in the preceding calendar year.

18 (3) Claims for exemption under this section, including the annual  
19 reporting of the value of agricultural crops for persons taking an  
20 exemption under subsection (2)(c) of this section, shall be filed with  
21 the county assessor on forms prescribed by the department and furnished  
22 by the assessor. The assessor shall verify and approve claims as the  
23 assessor determines to be justified and in accordance with this  
24 section. An initial claim for exemption under this section shall be  
25 for taxes due and payable in the year following the year in which the  
26 claim is filed.

27 (4) The department may adopt rules necessary to administer this  
28 section.

29 (5) For the purposes of this section, "biodiesel feedstock" has the  
30 same meaning as provided in RCW 84.36.635.

--- END ---