

5536--A

2013-2014 Regular Sessions

I N S E N A T E

May 16, 2013

Introduced by Sen. MAZIARZ -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public service law, the public buildings law, the real property tax law and the public authorities law, in relation to expansion of natural gas service

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Legislative intent. The legislature hereby finds that the
2 extension of natural gas lines within the state has multiple benefits to
3 New Yorkers, including a reduction in pollution with the resultant
4 health benefits, increased economic activity with the creation of jobs
5 through improved energy infrastructure, energy cost savings to consum-
6 ers, and improved energy efficiency.
7 Natural gas is the cleanest burning fossil fuel. It has a positive
8 impact on the environment by cutting emissions of particulate matter.
9 These emissions have been linked to heart and lung conditions and
10 contribute to asthma rates, particularly in urban areas.
11 Natural gas prices are at a low point and will result in increased
12 disposable income for consumers and improved operational efficiency for
13 business. Extending the state's natural gas line infrastructure will
14 create a positive business environment for manufacturers and other busi-
15 nesses that are looking to stabilize their energy costs. Natural gas
16 line extensions will spur economic development in the business sector
17 and create jobs.
18 This legislation will have the effect of protecting the state's
19 natural resources, including protecting its atmosphere from pollution,
20 while at the same time stimulating the development of new jobs and the
21 economy.

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets
[] is old law to be omitted.

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1 S 2. The public service law is amended by adding a new section 27 to
2 read as follows:

3 S 27. EXPANSION PERMIT APPLICATIONS. ANY GAS CORPORATION OR COMBINA-
4 TION GAS AND ELECTRIC CORPORATION APPLYING FOR PERMITS IN CONNECTION
5 WITH THE EXPANSION OF NATURAL GAS SERVICE THROUGH THE EXTENSION OF
6 EXISTING GAS LINES MAY CONFER WITH THE COMMISSION TO OBTAIN ASSISTANCE
7 IN FACILITATING CONTACTS WITH STATE AGENCIES AND LOCAL GOVERNMENTS FOR
8 PROCESSING AND REVIEWING PERMIT APPLICATIONS TO ACHIEVE THE PROMPT AND
9 EFFICIENT PROCESSING AND REVIEW OF APPLICATIONS. THE PUBLIC SERVICE
10 COMMISSION MAY ACT AS LEAD AGENCY PURSUANT TO ARTICLE EIGHT OF THE ENVI-
11 RONMENTAL CONSERVATION LAW, IN CONNECTION WITH SUCH PERMIT APPLICATION
12 BY A GAS CORPORATION OR COMBINATION GAS AND ELECTRIC CORPORATION FRAN-
13 CHISED UNDER THIS CHAPTER. THE DEPARTMENTS OF TRANSPORTATION AND ENVI-
14 RONMENTAL CONSERVATION SHALL, TO THE MAXIMUM EXTENT FEASIBLE, ESTABLISH
15 PROCEDURES TO EXPEDITE PERMIT APPLICATIONS IN CONNECTION WITH THE EXPAN-
16 SION OF NATURAL GAS SERVICE THROUGH THE EXTENSION OF EXISTING GAS LINES.

17 S 3. The public service law is amended by adding a new section 18-d to
18 read as follows:

19 S 18-D. SURCHARGES. NOTWITHSTANDING ANY LAW, RULE, REGULATION OR ORDER
20 TO THE CONTRARY, THE COMMISSION SHALL, COMMENCING APRIL FIRST, TWO THOU-
21 SAND FOURTEEN, DEDICATE NO LESS THAN TWENTY-FIVE PERCENT OF THE AMOUNTS
22 OF THE SURCHARGE FOR THE SYSTEM BENEFIT CHARGE COLLECTED BY GAS CORPO-
23 RATIONS AND COMBINATION GAS AND ELECTRIC CORPORATIONS FROM THEIR GAS
24 HEATING CUSTOMERS TO THE EXTENSION AND EXPANSION OF NATURAL GAS FACILI-
25 TIES. THE COMMISSION SHALL BE AUTHORIZED TO INCREASE SUCH AMOUNTS TO
26 MORE THAN TWENTY-FIVE PERCENT AFTER A PROCEEDING TO CONSIDER SUCH
27 ACTION. THE COMMISSION SHALL ALLOCATE SUCH FUNDS TO GAS CORPORATIONS
28 AND COMBINATION GAS AND ELECTRIC CORPORATIONS THROUGH A STAKEHOLDER
29 PROCESS ESTABLISHED BY THE COMMISSION. SUCH STAKEHOLDER PROCESS SHALL
30 ESTABLISH RULES AND PROCEDURES FOR ALLOCATIONS PURSUANT TO THIS SECTION
31 CONSISTENT WITH THE PUBLIC POLICY GOALS OF THE STATE.

32 S 4. The public buildings law is amended by adding a new section 143
33 to read as follows:

34 S 143. CLEAN NATURAL GAS HEAT IN PUBLIC BUILDINGS. EACH CAPITAL
35 PROJECT FOR A PUBLIC BUILDING THAT INCLUDES THE INSTALLATION OR REPLACE-
36 MENT OF A BOILER FOR HEATING SHALL REQUIRE THE COMMISSIONER OF GENERAL
37 SERVICES TO UNDERTAKE A STUDY OF ENERGY EFFICIENCY, ENVIRONMENTAL EFFI-
38 CACY AND COST OF USING NATURAL GAS HEATING. SUCH STUDY SHALL CONSIDER
39 THE BENEFITS TO SURROUNDING COMMUNITIES IN THE EVENT THAT IT IS NECES-
40 SARY TO EXTEND A MAIN PIPELINE IN EXCESS OF ONE HUNDRED FEET TO OBTAIN
41 SUCH SERVICES.

42 S 5. The real property tax law is amended by adding a new section
43 485-r to read as follows:

44 S 485-R. EXTENSION AND EXPANSION OF NATURAL GAS SUPPLY THROUGH THE
45 CONSTRUCTION OF NATURAL GAS DISTRIBUTION FACILITIES. 1. DEFINITIONS. (A)
46 FOR PURPOSES OF THIS SECTION, "NATURAL GAS DISTRIBUTION FACILITIES"
47 SHALL MEAN ANY MAIN LINE, SERVICE LINE AND APPURTENANT FACILITIES
48 CONSTRUCTED TO EXTEND EXISTING NATURAL GAS LINE INFRASTRUCTURE TO NEW
49 CUSTOMERS OF A GAS CORPORATION OR A COMBINATION GAS AND ELECTRIC CORPO-
50 RATION WITH THEIR CONSENT.

51 2. AFTER A PUBLIC HEARING, THE GOVERNING BODY OF A COUNTY, CITY, TOWN
52 OR VILLAGE MAY ADOPT A LOCAL LAW AND A SCHOOL DISTRICT, OTHER THAN A
53 SCHOOL DISTRICT SUBJECT TO ARTICLE FIFTY-TWO OF THE EDUCATION LAW, MAY
54 ADOPT A LOCAL LAW OR RESOLUTION TO GRANT AN EXEMPTION AUTHORIZED PURSU-
55 ANT TO THIS SECTION. A COPY OF SUCH LOCAL LAW OR RESOLUTION SHALL BE
56 FILED WITH THE COMMISSIONER AND THE TAX ASSESSOR OF SUCH COUNTY, CITY,

1 TOWN OR VILLAGE WHO PREPARES THE ASSESSMENT ROLL ON WHICH THE TAXES OF
2 SUCH COUNTY, CITY, TOWN, VILLAGE OR SCHOOL DISTRICT ARE LEVIED.

3 3. SUCH NATURAL GAS DISTRIBUTION FACILITIES SHALL BE EXEMPT TO THE
4 EXTENT OF THE INCREASE IN THE ASSESSED VALUE THEREOF ATTRIBUTABLE TO THE
5 CONSTRUCTION OF SUCH NATURAL GAS FACILITIES. THE LENGTH OF SUCH
6 EXEMPTION AND THE PERCENTAGE OF ASSESSED VALUATION EXEMPT FROM TAXATION
7 SHALL BE SET FORTH IN SUCH LOCAL LAW OR RESOLUTION, BUT IN NO EVENT
8 SHALL IT EXCEED TEN YEARS.

9 4. SUCH EXEMPTION SHALL BE GRANTED ONLY UPON APPLICATION BY A GAS
10 CORPORATION OR COMBINATION GAS AND ELECTRIC CORPORATION WITH APPROVAL
11 FROM THE PUBLIC SERVICE CORPORATION FOR CONSTRUCTION OF SUCH NATURAL GAS
12 DISTRIBUTION FACILITIES.

13 S 6. The real property tax law is amended by adding a new section
14 485-q to read as follows:

15 S 485-Q. EXTENSION AND EXPANSION OF NATURAL GAS DISTRIBUTION FACILI-
16 TIES. 1. DEFINITIONS. (A) FOR PURPOSES OF THIS SECTION, "NATURAL GAS
17 DISTRIBUTION FACILITIES" SHALL MEAN ANY MAIN LINE, SERVICE LINE AND
18 APPURTENANT FACILITIES CONSTRUCTED TO EXTEND EXISTING NATURAL GAS LINE
19 INFRASTRUCTURE TO NEW CUSTOMERS OF A GAS CORPORATION OR A COMBINATION
20 GAS AND ELECTRIC CORPORATION WITH THEIR CONSENT.

21 2. (A) WITHIN A CITY HAVING A POPULATION OF ONE MILLION OR MORE, AFTER
22 A PUBLIC HEARING, THE GOVERNING BODY OF SUCH A CITY MAY ADOPT A LOCAL
23 LAW OR RESOLUTION TO GRANT AN EXEMPTION AUTHORIZED PURSUANT TO THIS
24 SECTION. A COPY OF SUCH LOCAL LAW OR RESOLUTION SHALL BE FILED WITH THE
25 COMMISSIONER AND THE TAX ASSESSOR OF SUCH CITY WHO PREPARES THE ASSESS-
26 MENT ROLL ON WHICH THE TAXES OF SUCH CITY ARE LEVIED.

27 (B) SUCH NATURAL GAS DISTRIBUTION FACILITIES SHALL BE EXEMPT TO THE
28 EXTENT OF THE INCREASE IN THE ASSESSED VALUE THEREOF ATTRIBUTABLE TO THE
29 CONSTRUCTION OF SUCH NATURAL GAS FACILITIES. THE LENGTH OF SUCH
30 EXEMPTION AND THE PERCENTAGE OF ASSESSED VALUATION EXEMPT FROM TAXATION
31 SHALL BE SET FORTH IN SUCH LOCAL LAW OR RESOLUTION, BUT IN NO EVENT
32 SHALL IT EXCEED TEN YEARS.

33 3. CONSTRUCTION OF NATURAL GAS DISTRIBUTION FACILITIES SHALL BE DEEMED
34 TO HAVE COMMENCED WHEN THE AGENCY OR DEPARTMENT OF THE CITY HAVING
35 JURISDICTION HAS ISSUED A PERMIT FOR CONSTRUCTION WORK AND SUCH WORK HAS
36 BEGUN IN GOOD FAITH IN ACCORDANCE WITH SUCH PERMIT.

37 4. APPLICATION FOR EXEMPTION UNDER THIS SECTION SHALL BE FILED WITH
38 THE ASSESSORS BETWEEN FEBRUARY FIRST AND MARCH FIFTEENTH OF THE CALENDAR
39 YEAR AND BASED ON APPROVAL BY THE PUBLIC SERVICE COMMISSION OF
40 CONSTRUCTION OF SUCH NATURAL GAS DISTRIBUTION FACILITIES, THE ASSESSORS
41 SHALL CERTIFY TO THE COLLECTING OFFICER THE AMOUNT OF THE EXEMPTION FROM
42 LOCAL AND MUNICIPAL TAXES. NO SUCH APPLICATION SHALL BE ACCEPTED BY THE
43 ASSESSORS UNLESS ACCOMPANIED BY AN APPROVAL FROM THE PUBLIC SERVICE
44 COMMISSION.

45 5. SUCH EXEMPTION SHALL BE GRANTED ONLY UPON APPLICATION BY A GAS
46 CORPORATION OR COMBINATION GAS AND ELECTRIC CORPORATION WITH APPROVAL
47 FROM THE PUBLIC SERVICE CORPORATION FOR CONSTRUCTION OF SUCH NATURAL GAS
48 DISTRIBUTION FACILITIES.

49 S 7. Section 1001 of the public authorities law is amended by adding a
50 new undesignated paragraph to read as follows:

51 IT IS FURTHER DECLARED THAT THERE ARE SIGNIFICANT ECONOMIC BENEFITS
52 FROM THE EXTENSION OF NATURAL GAS LINE INFRASTRUCTURE. A CRITICAL
53 ELEMENT OF NATURAL GAS LINE EXTENSIONS IS THE FINANCING OF THE
54 CONSTRUCTION AND INVESTMENT NECESSARY FOR SUCH NATURAL GAS LINE EXTEN-
55 SIONS. THE AUTHORITY IS AUTHORIZED TO MAKE LOANS TO GAS CORPORATIONS AND
56 COMBINED GAS AND ELECTRIC CORPORATIONS TO EFFECTUATE THE EXTENSION OF

1 EXISTING NATURAL GAS LINE INFRASTRUCTURE WHICH IS APPROVED BY THE PUBLIC
2 SERVICE COMMISSION.

3 S 8. The public authorities law is amended by adding a new section
4 1005-b to read as follows:

5 S 1005-B. ADDITIONAL SPECIAL POWERS OF THE AUTHORITY WITH RESPECT TO
6 THE EXTENSION OF NATURAL GAS LINE INFRASTRUCTURE. IN ORDER TO EFFECTU-
7 ATE THE PURPOSES OF THIS TITLE, THE AUTHORITY SHALL HAVE THE FOLLOWING
8 ADDITIONAL SPECIAL POWERS: TO EXTEND CREDIT AND MAKE LOANS TO A GAS
9 CORPORATION OR A COMBINED GAS AND ELECTRIC CORPORATION FRANCHISED BY THE
10 PUBLIC SERVICE COMMISSION IN CONNECTION WITH A NATURAL GAS LINE EXTEN-
11 SION PROJECT APPROVED BY THE PUBLIC SERVICE COMMISSION FOR COSTS
12 INCURRED WITH SUCH PROJECTS COMPLETED OR NOT, COMPLETED AT THE TIME OF
13 SUCH CREDIT OR LOAN, WHICH CREDITS OR LOANS MAY, BUT NEED NOT BE SECURED
14 BY MORTGAGES, CONTRACTS OR OTHER INSTRUMENTS, UPON SUCH TERMS AND CONDI-
15 TIONS AS THE CORPORATION MAY DEEM REASONABLE IN CONNECTION WITH SUCH
16 CREDITS OR LOANS. IN THE EXERCISE OF POWERS GRANTED IN THIS SECTION IN
17 CONNECTION WITH A NATURAL GAS LINE EXTENSION PROJECT APPROVED BY THE
18 PUBLIC SERVICE COMMISSION FOR A GAS CORPORATION OR A COMBINED GAS AND
19 ELECTRIC CORPORATION, TO REQUIRE THE INCLUSION IN ANY CONTRACT, LOAN
20 AGREEMENT OR OTHER INSTRUMENT, OF SUCH PROVISIONS FOR THE FINANCING OF
21 SUCH PROJECT AND SUCH OTHER FINANCIAL AND OTHER COVENANTS APPLYING TO
22 SUCH GAS CORPORATIONS OR A COMBINED GAS AND ELECTRIC CORPORATION, AS THE
23 CORPORATION MAY DEEM NECESSARY OR DESIRABLE AND TO DO ALL THINGS AND TO
24 EXECUTE ALL INSTRUMENTS NECESSARY AND DESIRABLE IN CONNECTION THEREWITH.
25 IN CONNECTION WITH THE EXTENSION OF ANY SUCH CREDIT OR LOAN, THE AUTHOR-
26 ITY MAY FIX AND COLLECT SUCH FEES AND CHARGES, INCLUDING BUT NOT LIMITED
27 TO REIMBURSEMENT OF ALL COSTS OF FINANCING BY THE CORPORATION AS SHALL
28 BE REASONABLE. IN CONNECTION WITH SUCH EXTENSION OF CREDIT OR LOAN AS
29 PROVIDED FOR HEREIN SUCH GAS CORPORATION OR A COMBINED GAS AND ELECTRIC
30 CORPORATION SHALL SUBMIT TO THE AUTHORITY AN APPLICATION FOR THE EXTEN-
31 SION OF CREDIT OR LOAN AS SET FORTH IN THE APPLICATION. THE AUTHORITY
32 MAY DENY ANY SUCH APPLICATION FOR ANY REASON IT DEEMS IN THE PUBLIC
33 INTEREST. THE EXTENSION OF ANY SUCH CREDIT OR LOAN IS SUBJECT TO
34 APPROVAL BY THE PUBLIC SERVICE COMMISSION OF THE PROJECT OR PROJECTS FOR
35 SUCH NATURAL GAS LINE EXTENSION.

36 S 9. Subdivision 1 of section 1010 of the public authorities law, as
37 amended by chapter 972 of the laws of 1969, is amended to read as
38 follows:

39 1. The authority shall have power and is hereby authorized from time
40 to time to issue its negotiable bonds in conformity with applicable
41 provisions of the uniform commercial code for the purpose of financing
42 any project authorized by this title, including the acquisition of any
43 real or personal property or facilities deemed necessary by the authori-
44 ty, AND FOR THE MAKING OF LOANS TO A GAS CORPORATION OR A COMBINATION
45 GAS AND ELECTRIC CORPORATION FRANCHISED BY THE PUBLIC SERVICE COMMISSION
46 FOR THE PURPOSES OF SECTION ONE THOUSAND FIVE-B OF THIS TITLE.

47 S 10. This act shall take effect immediately.