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I N   S E N A T E

January 13, 2016

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Introduced by Sen. GALLIVAN -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

AN ACT to amend the real property tax law, in relation to property tax benefits for anaerobic digestion of agricultural waste; and to repeal certain provisions of such law relating thereto

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

1     Section 1. Subdivision 1 of section 483-a of the real property tax  
2 law, as amended by chapter 272 of the laws of 2013, is amended to read  
3 as follows:

4     1. Structures permanently affixed to [agricultural] land for the  
5 purpose of preserving and storing forage in edible condition; farm feed  
6 grain storage bins; commodity sheds; manure storage, handling and treat-  
7 ment facilities, including BUT NOT LIMITED TO, composting or anaerobic  
8 digestion of agricultural materials, such as livestock manure and farm-  
9 ing wastes, food residuals or other organic wastes associated with food  
10 production or consumption with at least fifty percent by weight of its  
11 feedstock on an annual basis being livestock manure, farming wastes and  
12 crops grown specifically for use as anaerobic digestion or composting  
13 feedstock and including any equipment necessary to the process of  
14 producing, collecting, storing, cleaning and converting biogas into  
15 forms of energy and GENERATION, TRANSMISSION, transporting, USE OF  
16 AND/OR THE SALE OF biogas or energy on-site, OFF-SITE, AND/OR PURSUANT  
17 TO AN INTERCONNECTION AGREEMENT WITH A UTILITY; and bulk milk tanks and  
18 coolers used to hold milk awaiting shipment to market shall be exempt  
19 from taxation, special ad valorem levies and special assessments. "Food  
20 residuals" means organic material, including, but not limited to, food  
21 scraps, food processing residue, and related soiled or unrecyclable  
22 paper used in food packaging, preparation or cleanup.

23     S 2. Paragraphs (e) and (f) of subdivision 1 of section 487 of the  
24 real property tax law are REPEALED.

25     S 3. Paragraph (d) of subdivision 1 of section 487 of the real proper-  
26 ty tax law, as amended by chapter 515 of the laws of 2002, is amended to  
27 read as follows:

28     (d) "Incremental cost" means the increased cost of a solar or wind  
29 energy system [or farm waste energy system] or component thereof which  
30 also serves as part of the building structure, above that for similar

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

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1 conventional construction, which enables its use as a solar or wind  
2 energy [or farm waste energy] system or component.

3 S 4. The section heading and subdivisions 2, 3, 4, 5 and 8 of section  
4 487 of the real property tax law, the section heading and subdivisions  
5 2, 3 and 4 as amended by chapter 515 of the laws of 2002 and subdivi-  
6 sions 5 and 8 as amended by chapter 344 of the laws of 2014, are amended  
7 to read as follows:

8 S 487. Exemption from taxation for certain solar or wind energy  
9 systems [or farm waste energy systems].

10 2. Real property which includes a solar or wind energy system [or farm  
11 waste energy system] approved in accordance with the provisions of this  
12 section shall be exempt from taxation to the extent of any increase in  
13 the value thereof by reason of the inclusion of such solar or wind ener-  
14 gy system [or farm waste energy system] for a period of fifteen years.  
15 When a solar or wind energy system or components thereof [or farm waste  
16 energy system] also serve as part of the building structure, the  
17 increase in value which shall be exempt from taxation shall be equal to  
18 the assessed value attributable to such system or components multiplied  
19 by the ratio of the incremental cost of such system or components to the  
20 total cost of such system or components.

21 3. The president of the authority shall provide definitions and guide-  
22 lines for the eligibility for exemption of the solar and wind energy  
23 equipment and systems [and farm waste energy equipment and systems]  
24 described in paragraphs (a) and (b) of subdivision one of this section.

25 4. No solar or wind energy system [or farm waste energy system] shall  
26 be entitled to any exemption from taxation under this section unless  
27 such system meets the guidelines set by the president of the authority  
28 and all other applicable provisions of law.

29 5. The exemption granted pursuant to this section shall only be appli-  
30 cable to solar or wind energy systems [or farm waste energy systems]  
31 which are (a) existing or constructed prior to July first, nineteen  
32 hundred eighty-eight or (b) constructed subsequent to January first,  
33 nineteen hundred ninety-one and prior to January first, two thousand  
34 twenty-five.

35 8. (a) Notwithstanding the provisions of subdivision two of this  
36 section, a county, city, town or village may by local law or a school  
37 district, other than a school district to which article fifty-two of the  
38 education law applies, may by resolution provide that no exemption under  
39 this section shall be applicable within its jurisdiction with respect to  
40 any solar or wind energy system [or farm waste energy system] which  
41 began construction subsequent to January first, nineteen hundred nine-  
42 ty-one or the effective date of such local law, ordinance or resolution,  
43 whichever is later. A copy of any such local law or resolution shall be  
44 filed with the commissioner and with the president of the authority.

45 (b) Construction of a solar or wind energy system [or a farm waste  
46 energy system] shall be deemed to have begun upon the full execution of  
47 a contract or interconnection agreement with a utility; provided howev-  
48 er, that if such contract or interconnection agreement requires a depos-  
49 it to be made, then construction shall be deemed to have begun when the  
50 contract or interconnection agreement is fully executed and the deposit  
51 is made. The owner or developer of such a system shall provide written  
52 notification to the appropriate local jurisdiction or jurisdictions upon  
53 execution of the contract or the interconnection agreement.

54 S 5. This act shall take effect immediately.