

STATE OF NEW YORK

9651--A

IN ASSEMBLY

January 30, 2018

Introduced by M. of A. CUSICK, SIMOTAS -- read once and referred to the Committee on Real Property Taxation -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the real property tax law, in relation to authorizing an exemption from taxation for certain energy systems

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Paragraph (k) of subdivision 1 of section 487 of the real
2 property tax law, as added by chapter 336 of the laws of 2017, is
3 amended to read as follows:

4 (k) "Micro-combined heat and power generating equipment" means an
5 integrated, cogenerating building heating and electrical power gener-
6 ation system, owned, leased or operated by a residential customer,
7 located at such customer's premises, operating on any fuel and of any
8 applicable engine, fuel cell, fuel-flexible linear generator or other
9 technology with a rated capacity of at least one kilowatt and not more
10 than ten kilowatts electric and any thermal output that has a design
11 total fuel use efficiency in the production of heat and electricity of
12 not less than eighty percent, and annually produces at least two thou-
13 sand kilowatt hours of useful energy in the form of electricity that may
14 work in combination with supplemental or parallel conventional heating
15 systems, that is manufactured, installed and operated in accordance with
16 applicable government and industry standards, that is connected to the
17 electric system and operated in conjunction with an electric corpo-
18 ration's transmission and distribution facilities. It does not include
19 pipes, controls, insulation or other equipment which are part of the
20 normal heating, cooling, or insulation system of a building. It does not
21 include insulated glazing or insulation to the extent that such materi-
22 als exceed the energy efficiency standards established by law.

23 § 2. Subdivision 1 of section 487 of the real property tax law is
24 amended by adding two new paragraphs (o) and (p) to read as follows:

25 (o) "Fuel-flexible linear generator electric generating equipment" or
26 "fuel-flexible linear generator" means an integrated system consisting

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

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1 of oscillators, cylinders, electricity conversion equipment and associ-
2 ated balance of plant components that directly convert the linear motion
3 of the oscillators into electricity and which has a combined rated
4 capacity of not more than two thousand kilowatts.

5 (p) "Fuel-flexible linear generator electric generating system" means
6 an arrangement or combination of fuel-flexible linear generator electric
7 generating equipment designed to produce electrical energy from linear
8 motion created by the reaction of gaseous or liquid fuels, including but
9 not limited to biogas and natural gas.

10 § 3. Subdivisions 2, 3, 4, 5, and 8 of section 487 of the real proper-
11 ty tax law, subdivisions 2, 3, 4 and 5 and paragraph (a) of subdivision
12 8 as amended by chapter 336 of the laws of 2017, and subdivision 8 as
13 amended by chapter 344 of the laws of 2014, are amended to read as
14 follows:

15 2. Real property which includes a solar or wind energy system, farm
16 waste energy system, micro-hydroelectric energy system, fuel cell elec-
17 tric generating system, micro-combined heat and power generating equip-
18 ment system, ~~[or]~~ electric energy storage equipment and electric energy
19 storage system, or fuel-flexible linear generator electric generating
20 system approved in accordance with the provisions of this section shall
21 be exempt from taxation to the extent of any increase in the value ther-
22 eof by reason of the inclusion of such solar or wind energy system, farm
23 waste energy system, micro-hydroelectric energy system, fuel cell elec-
24 tric generating system, micro-combined heat and power generating equip-
25 ment system, ~~[or]~~ electric energy storage equipment and electric energy
26 storage system, or fuel-flexible linear generator electronic generating
27 system for a period of fifteen years. When a solar or wind energy system
28 or components thereof, farm waste energy system, micro-hydroelectric
29 energy system, fuel cell electric generating system, micro-combined heat
30 and power generating equipment system, ~~[or]~~ electric energy storage
31 equipment and electric energy storage system, or fuel-flexible linear
32 generator electronic generating system also serve as part of the build-
33 ing structure, the increase in value which shall be exempt from taxation
34 shall be equal to the assessed value attributable to such system or
35 components multiplied by the ratio of the incremental cost of such
36 system or components to the total cost of such system or components. The
37 exemption provided by this section is inapplicable to any structure that
38 satisfies the requirements for exemption under section four hundred
39 eighty-three-e of this title.

40 3. The president of the authority shall provide definitions and guide-
41 lines for the eligibility for exemption of the solar and wind energy
42 equipment and systems, farm waste energy equipment and systems, micro-
43 hydroelectric equipment and systems, fuel cell electric generating
44 equipment and systems, micro-combined heat and power generating equip-
45 ment and systems ~~[and]~~, and fuel-flexible linear generator electric
46 generating equipment and systems described in paragraphs (a), (b), (e),
47 (f), (g), (h), (i), (j), (k), (l), (m) ~~[and]~~, (n), (o) and (p) of subdi-
48 vision one of this section.

50 4. No solar or wind energy system, farm waste energy system, micro-hy-
51 droelectric energy system, fuel cell electric generating system, micro-
52 combined heat and power generating equipment system, ~~[or]~~ electric ener-
53 gy storage equipment and electric energy storage system, or
54 fuel-flexible linear generator electric generating system shall be enti-
55 tled to any exemption from taxation under this section unless such

1 system meets the guidelines set by the president of the authority and
2 all other applicable provisions of law.

3 5. The exemption granted pursuant to this section shall only be appli-
4 cable to (a) solar or wind energy systems or farm waste energy systems
5 which are (i) existing or constructed prior to July first, nineteen
6 hundred eighty-eight or (ii) constructed subsequent to January first,
7 nineteen hundred ninety-one and prior to January first, two thousand
8 twenty-five, and (b) micro-hydroelectric energy systems, fuel cell elec-
9 tric generating systems, micro-combined heat and power generating equip-
10 ment systems, ~~[ex]~~ electric energy storage equipment or electric energy
11 storage system, or fuel-flexible linear generator electric generating
12 system which are constructed subsequent to January first, two thousand
13 eighteen and prior to January first, two thousand twenty-five.

14 8. (a) Notwithstanding the provisions of subdivision two of this
15 section, a county, city, town or village may by local law or a school
16 district, other than a school district to which article fifty-two of the
17 education law applies, may by resolution provide either (i) that no
18 exemption under this section shall be applicable within its jurisdiction
19 with respect to any solar or wind energy system or farm waste energy
20 system which began construction subsequent to January first, nineteen
21 hundred ninety-one or the effective date of such local law, ordinance or
22 resolution, whichever is later, and/or (ii) that no exemption under this
23 section shall be applicable within its jurisdiction with respect to any
24 micro-hydroelectric energy system, fuel cell electric generating system,
25 micro-combined heat and power generating equipment system, ~~[ex]~~ electric
26 energy storage equipment or electric energy storage system, or fuel-
27 flexible linear generator electric generating system constructed subse-
28 quent to January first, two thousand eighteen or the effective date of
29 such local law, ordinance or resolution, whichever is later. A copy of
30 any such local law or resolution shall be filed with the commissioner
31 and with the president of the authority.

32 (b) Construction of a solar or wind energy system or a farm waste
33 energy system shall be deemed to have begun upon the full execution of a
34 contract or interconnection agreement with a utility; provided however,
35 that if such contract or interconnection agreement requires a deposit to
36 be made, then construction shall be deemed to have begun when the
37 contract or interconnection agreement is fully executed and the deposit
38 is made. The owner or developer of such a system shall provide written
39 notification to the appropriate local jurisdiction or jurisdictions upon
40 execution of the contract or the interconnection agreement.

41 § 4. This act shall take effect January 19, 2019.