

7900

2013-2014 Regular Sessions

I N A S S E M B L Y

June 7, 2013

Introduced by M. of A. GABRYSZAK -- read once and referred to the
Committee on Energy

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 ASSEM-
BLY, 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.
22 S 2. The public service law is amended by adding a new section 27 to
23 read as follows:

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

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

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

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

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

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

40 S 5. The real property tax law is amended by adding a new section
41 485-r to read as follows:

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

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

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

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

11 S 6. The real property tax law is amended by adding a new section
12 485-q to read as follows:

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

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

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

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

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

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

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

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

1 S 8. The public authorities law is amended by adding a new section
2 1005-b to read as follows:

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

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

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

45 S 10. This act shall take effect immediately.