S T A T E O F N E W Y O R K

7204

I N S E N A T E

May 5, 2014

Introduced by Sen. MAZIARZ -- 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 exemption from taxation for certain energy systems

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

Section 1. The section heading and subdivisions 2, 3 and 4 of section 487 of the real property tax law, as amended by chapter 515 of the laws of 2002, are amended to read as follows:

Exemption from taxation for certain [solar or wind energy systems or farm waste] energy systems.

2. Real property which includes a solar or wind energy system [or], farm waste energy system, MICRO-HYDROELECTRIC ENERGY SYSTEM, FUEL CELL ELECTRIC GENERATING SYSTEM, OR MICRO-COMBINED HEAT AND POWER GENERATING EQUIPMENT SYSTEM approved in accordance with the provisions of this section shall be exempt from taxation to the extent of any increase in the value thereof by reason of the inclusion of such solar or wind energy system [or], farm waste energy system, MICRO-HYDROELECTRIC ENERGY SYSTEM, FUEL CELL ELECTRIC GENERATING SYSTEM, OR MICRO-COMBINED HEAT AND POWER GENERATING EQUIPMENT SYSTEM for a period of fifteen years. When a solar or wind energy system or components thereof [or], farm waste energy system, MICRO-HYDROELECTRIC ENERGY SYSTEM, FUEL CELL ELECTIC GENERATING SYSTEM, OR MICRO-COMBINED HEAT AND POWER GENERATING EQUIPMENT SYSTEM also serve as part of the building structure, the increase in value which shall be exempt from taxation shall be equal to the assessed value attributable to such system or components multiplied by the ratio of the incremental cost of such system or components to the total cost of such system or components.

3. The president of the authority shall provide definitions and guidelines for the eligibility for exemption of the solar and wind energy equipment and systems [and], farm waste energy equipment and systems, MICRO-HYDROELECTRIC EQUIPMENT AND SYSTEMS, FUEL CELL ELECTRIC GENERATING EQUIPMENT AND SYSTEMS, AND MICRO-COMBINED HEAT AND POWER GENERATING EQUIPMENT AND SYSTEMS described in paragraphs (a) [and], (b), (C), (D),

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

LBD14911-01-4

(E), (F), (G), (H), (I), (J), (K) AND (L) of subdivision one of this section.

4. No solar or wind energy system [or], farm waste energy system, MICRO-HYDROELECTRIC ENERGY SYSTEM, FUEL CELL ELECTRIC GENERATING SYSTEM, OR MICRO-COMBINED HEAT AND POWER GENERATING EQUIPMENT SYSTEM shall be entitled to any exemption from taxation under this section unless such system meets the guidelines set by the president of the authority and all other applicable provisions of law.

S 2. Subdivision 1 of section 487 of the real property tax law is amended by adding six new paragraphs (g), (h), (i), (j), (k) and (l) to read as follows:

(G) "MICRO-HYDROELECTRIC ENERGY EQUIPMENT" MEANS ANY ENERGY STORAGE DEVICE, PENSTOCK, TURBINE, GENERATOR AND OTHER MATERIALS, HARDWARE AND EQUIPMENT NECESSARY TO THE PROCESS BY WHICH THE FLOW OF STREAM OR RIVER WATER OR WATER FROM OTHER WATER BODIES IS (I) CONVERTED INTO ELECTRICAL ENERGY; (II) PROTECTED FROM UNNECESSARY DISSIPATION; AND (III) DISTRIBUTED. IT DOES NOT INCLUDE PIPES, CONTROLS, INSULATION OR OTHER EQUIPMENT WHICH ARE PART OF THE NORMAL HEATING, COOLING, OR INSULATION SYSTEM OF A BUILDING. IT DOES NOT INCLUDE INSULATED GLAZING OR INSULATION TO THE EXTENT THAT SUCH MATERIALS EXCEED THE ENERGY EFFICIENCY STANDARDS ESTABLISHED BY LAW.

(H) "MICRO-HYDROELECTRIC ENERGY SYSTEM" MEANS AN ARRANGEMENT OR COMBINATION OF MICRO-HYDROELECTRIC ENERGY EQUIPMENT DESIGNED TO PROVIDE ELECTRICAL ENERGY BY THE USE OF FLOWING WATER. IT DOES NOT INCLUDE PIPES, CONTROLS, INSULATION OR OTHER EQUIPMENT WHICH ARE PART OF THE NORMAL HEATING, COOLING, OR INSULATION SYSTEM OF A BUILDING. IT DOES NOT INCLUDE INSULATED GLAZING OR INSULATION TO THE EXTENT THAT SUCH MATERIALS EXCEED THE ENERGY EFFICIENCY STANDARDS ESTABLISHED BY LAW.

(I) "FUEL CELL ELECTRIC GENERATING EQUIPMENT" MEANS A SOLID OXIDE, MOLTEN CARBONATE, PROTON EXCHANGE MEMBRANE OR PHOSPHORIC ACID FUEL CELL WITH A COMBINED RATED CAPACITY OF NOT MORE THAN ONE THOUSAND FIVE HUNDRED KILOWATTS. IT DOES NOT INCLUDE INSULATED GLAZING OR INSULATION TO THE EXTENT THAT SUCH MATERIALS EXCEED THE ENERGY EFFICIENCY STANDARDS ESTABLISHED BY LAW.

(J) "FUEL CELL ELECTRIC GENERATING SYSTEM" MEANS AN ARRANGEMENT OR COMBINATION OF EQUIPMENT DESIGNED TO PRODUCE ELECTRICAL ENERGY THROUGH REACTION OF CHEMICALS, INCLUDING BUT NOT LIMITED TO HYDROGEN, OXYGEN, METHANE AND NATURAL GAS.

(K) "MICRO-COMBINED HEAT AND POWER GENERATING EQUIPMENT" MEANS AN INTEGRATED, COGENERATING BUILDING HEATING AND ELECTRICAL POWER GENERATION SYSTEM, OPERATING ON ANY FUEL AND OF ANY APPLICABLE ENGINE, FUEL CELL OR OTHER TECHNOLOGY WITH A RATED CAPACITY OF AT LEAST ONE KILOWATT AND NOT MORE THAN TEN KILOWATTS ELECTRIC AND ANY THERMAL OUTPUT THAT HAS A DESIGN TOTAL FUEL USE EFFICIENCY IN THE PRODUCTION OF HEAT AND ELECTRICITY OF NOT LESS THAN EIGHTY PERCENT, AND ANNUALLY PRODUCES AT LEAST TWO THOUSAND KILOWATT HOURS OF USEFUL ENERGY IN THE FORM OF ELECTRICITY THAT MAY WORK IN COMBINATION WITH SUPPLEMENTAL OR PARALLEL CONVENTIONAL HEATING SYSTEMS, THAT IS MANUFACTURED, INSTALLED AND OPERATED IN ACCORDANCE WITH APPLICABLE GOVERNMENT AND INDUSTRY STANDARDS, THAT IS CONNECTED TO THE ELECTRIC SYSTEM AND OPERATED IN CONJUNCTION WITH AN ELECTRIC CORPORATION'S TRANSMISSION AND DISTRIBUTION FACILITIES. IT DOES NOT INCLUDE PIPES, CONTROLS, INSULATION OR OTHER EQUIPMENT WHICH ARE PART OF THE NORMAL HEATING, COOLING, OR INSULATION SYSTEM OF A BUILDING. IT DOES NOT INCLUDE INSULATED GLAZING OR INSULATION TO THE EXTENT THAT SUCH MATERIALS EXCEED THE ENERGY EFFICIENCY STANDARDS ESTABLISHED BY LAW.

(L) "MICRO-COMBINED HEAT AND POWER GENERATING EQUIPMENT SYSTEM" MEANS AN ARRANGEMENT OR COMBINATION OF EQUIPMENT DESIGNED TO PRODUCE ELECTRICAL ENERGY AND HEAT FOR A BUILDING OR ASSOCIATED BUILDINGS.

S 3. Subdivision 5 of section 487 of the real property tax law, as amended by chapter 366 of the laws of 2010, is amended to read as follows:

5. The exemption granted pursuant to this section shall only be applicable to (A) solar or wind energy systems or farm waste energy systems which are [(a)] (I) existing or constructed prior to July first, nineteen hundred eighty-eight or [(b)] (II) constructed subsequent to January first, nineteen hundred ninety-one and prior to January first, two thousand [fifteen] SEVENTEEN, AND (B) MICRO-HYDROELECTRIC ENERGY SYSTEMS, FUEL CELL ELECTRIC GENERATING SYSTEMS, OR MICRO-COMBINED HEAT AND POWER GENERATING EQUIPMENT SYSTEMS WHICH ARE CONSTRUCTED SUBSEQUENT TO JANUARY FIRST, TWO THOUSAND FIFTEEN AND PRIOR TO JANUARY FIRST, TWO THOUSAND SEVENTEEN.

S 4. Subdivision 8 of section 487 of the real property tax law, as amended by chapter 515 of the laws of 2002, and as further amended by subdivision (b) of section 1 of part W of chapter 56 of the laws of 2010, is amended to read as follows:

8. Notwithstanding the provisions of subdivision two of this section, a county, city, town or village may by local law or a school district, other than a school district to which article fifty-two of the education law applies, may by resolution provide EITHER (A) that no exemption under this section shall be applicable within its jurisdiction with respect to any solar or wind energy system or farm waste energy system constructed subsequent to January first, nineteen hundred ninety-one or the effective date of such local law, ordinance or resolution, whichever is later, AND/OR (B) THAT NO EXEMPTION UNDER THIS SECTION SHALL BE APPLICABLE WITHIN ITS JURISDICTION WITH RESPECT TO ANY MICRO-HYDROELECTRIC ENERGY SYSTEM, FUEL CELL ELECTRIC GENERATING SYSTEM, OR MICRO-COMBINED HEAT AND POWER GENERATING EQUIPMENT SYSTEM CONSTRUCTED SUBSEQUENT TO JANUARY FIRST, TWO THOUSAND FIFTEEN OR THE EFFECTIVE DATE OF SUCH LOCAL LAW, ORDINANCE OR RESOLUTION, WHICHEVER IS LATER. A copy of any such local law or resolution shall be filed with the commissioner and with the president of the authority.

S 5. This act shall take effect January 1, 2015.