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I N   S E N A T E

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Introduced by Sens. GRIFFO, AVELLA, VALESKY -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Local Government in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- 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 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. The section heading and subdivisions 2, 3 and 4 of section  
2     487 of the real property tax law, as amended by chapter 515 of the laws  
3     of 2002, are amended to read as follows:  
4     Exemption from taxation for certain [solar or wind energy systems or  
5     farm waste] energy systems.  
6     2. Real property which includes a solar or wind energy system [or],  
7     farm waste energy system, MICRO-HYDROELECTRIC ENERGY SYSTEM, FUEL CELL  
8     ELECTRIC GENERATING SYSTEM, MICRO-COMBINED HEAT AND POWER GENERATING  
9     EQUIPMENT SYSTEM, OR ELECTRIC ENERGY STORAGE EQUIPMENT AND ELECTRIC  
10    ENERGY STORAGE SYSTEM approved in accordance with the provisions of this  
11    section shall be exempt from taxation to the extent of any increase in  
12    the value thereof by reason of the inclusion of such solar or wind energy  
13    system [or], farm waste energy system, MICRO-HYDROELECTRIC ENERGY  
14    SYSTEM, FUEL CELL ELECTRIC GENERATING SYSTEM, MICRO-COMBINED HEAT AND  
15    POWER GENERATING EQUIPMENT SYSTEM, OR ELECTRIC ENERGY STORAGE EQUIPMENT  
16    AND ELECTRIC ENERGY STORAGE SYSTEM for a period of fifteen years. When  
17    a solar or wind energy system or components thereof [or], farm waste  
18    energy system, MICRO-HYDROELECTRIC ENERGY SYSTEM, FUEL CELL ELECTRIC

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

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1 GENERATING SYSTEM, MICRO-COMBINED HEAT AND POWER GENERATING EQUIPMENT  
2 SYSTEM, OR ELECTRIC ENERGY STORAGE EQUIPMENT AND ELECTRIC ENERGY STORAGE  
3 SYSTEM also serve as part of the building structure, the increase in  
4 value which shall be exempt from taxation shall be equal to the assessed  
5 value attributable to such system or components multiplied by the ratio  
6 of the incremental cost of such system or components to the total cost  
7 of such system or components.

8 3. The president of the authority shall provide definitions and guide-  
9 lines for the eligibility for exemption of the solar and wind energy  
10 equipment and systems [and], farm waste energy equipment and systems,  
11 MICRO-HYDROELECTRIC EQUIPMENT AND SYSTEMS, FUEL CELL ELECTRIC GENERATING  
12 EQUIPMENT AND SYSTEMS, MICRO-COMBINED HEAT AND POWER GENERATING EQUIP-  
13 MENT AND SYSTEMS AND ELECTRIC ENERGY STORAGE EQUIPMENT AND ELECTRIC  
14 ENERGY STORAGE SYSTEM described in paragraphs (a) [and], (b), (E), (F),  
15 (G), (H), (I), (J), (K), (L), (M) AND (N) of subdivision one of this  
16 section.

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

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

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

37 (H) "MICRO-HYDROELECTRIC ENERGY SYSTEM" MEANS AN ARRANGEMENT OR COMBI-  
38 NATION OF MICRO-HYDROELECTRIC ENERGY EQUIPMENT DESIGNED TO PROVIDE ELEC-  
39 TRICAL ENERGY BY THE USE OF FLOWING WATER. IT DOES NOT INCLUDE PIPES,  
40 CONTROLS, INSULATION OR OTHER EQUIPMENT WHICH ARE PART OF THE NORMAL  
41 HEATING, COOLING, OR INSULATION SYSTEM OF A BUILDING. IT DOES NOT  
42 INCLUDE INSULATED GLAZING OR INSULATION TO THE EXTENT THAT SUCH MATERI-  
43 ALS EXCEED THE ENERGY EFFICIENCY STANDARDS ESTABLISHED BY LAW.

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

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

54 (K) "MICRO-COMBINED HEAT AND POWER GENERATING EQUIPMENT" MEANS AN  
55 INTEGRATED, COGENERATING BUILDING HEATING AND ELECTRICAL POWER GENER-  
56 ATION SYSTEM, OWNED, LEASED OR OPERATED BY A RESIDENTIAL CUSTOMER,

1 LOCATED AT SUCH CUSTOMER'S PREMISES, OPERATING ON ANY FUEL AND OF ANY  
2 APPLICABLE ENGINE, FUEL CELL OR OTHER TECHNOLOGY WITH A RATED CAPACITY  
3 OF AT LEAST ONE KILOWATT AND NOT MORE THAN TEN KILOWATTS ELECTRIC AND  
4 ANY THERMAL OUTPUT THAT HAS A DESIGN TOTAL FUEL USE EFFICIENCY IN THE  
5 PRODUCTION OF HEAT AND ELECTRICITY OF NOT LESS THAN EIGHTY PERCENT, AND  
6 ANNUALLY PRODUCES AT LEAST TWO THOUSAND KILOWATT HOURS OF USEFUL ENERGY  
7 IN THE FORM OF ELECTRICITY THAT MAY WORK IN COMBINATION WITH SUPPLE-  
8 MENTAL OR PARALLEL CONVENTIONAL HEATING SYSTEMS, THAT IS MANUFACTURED,  
9 INSTALLED AND OPERATED IN ACCORDANCE WITH APPLICABLE GOVERNMENT AND  
10 INDUSTRY STANDARDS, THAT IS CONNECTED TO THE ELECTRIC SYSTEM AND OPER-  
11 ATED IN CONJUNCTION WITH AN ELECTRIC CORPORATION'S TRANSMISSION AND  
12 DISTRIBUTION FACILITIES. IT DOES NOT INCLUDE PIPES, CONTROLS, INSULATION  
13 OR OTHER EQUIPMENT WHICH ARE PART OF THE NORMAL HEATING, COOLING, OR  
14 INSULATION SYSTEM OF A BUILDING. IT DOES NOT INCLUDE INSULATED GLAZING  
15 OR INSULATION TO THE EXTENT THAT SUCH MATERIALS EXCEED THE ENERGY EFFI-  
16 CIENCY STANDARDS ESTABLISHED BY LAW.

17 (L) "MICRO-COMBINED HEAT AND POWER GENERATING EQUIPMENT SYSTEM" MEANS  
18 AN ARRANGEMENT OR COMBINATION OF EQUIPMENT DESIGNED TO PRODUCE ELEC-  
19 TRICAL ENERGY AND HEAT FOR A RESIDENTIAL CUSTOMER ON SUCH CUSTOMER'S  
20 PREMISES.

21 (M) "ELECTRIC ENERGY STORAGE EQUIPMENT" MEANS A SET OF TECHNOLOGIES  
22 CAPABLE OF STORING ELECTRIC ENERGY AND RELEASING THAT ENERGY AS ELECTRIC  
23 POWER AT A LATER TIME. ELECTRIC ENERGY STORAGE TECHNOLOGIES MAY STORE  
24 ENERGY AS POTENTIAL, KINETIC, CHEMICAL OR THERMAL ENERGY, THAT CAN BE  
25 RELEASED AS ELECTRIC POWER AND INCLUDE, BUT ARE NOT LIMITED TO, VARIOUS  
26 TYPES OF BATTERIES, FLYWHEELS, ELECTROCHEMICAL CAPACITORS, COMPRESSED  
27 AIR STORAGE AND THERMAL STORAGE DEVICES.

28 (N) "ELECTRIC ENERGY STORAGE SYSTEM" MEANS AN ARRANGEMENT OR COMBINA-  
29 TION OF EQUIPMENT DESIGNED TO STORE ELECTRICAL ENERGY IN ELECTRIC ENERGY  
30 STORAGE EQUIPMENT AND RELEASE ELECTRIC POWER AT A LATER TIME.

31 S 3. Subdivision 5 of section 487 of the real property tax law, as  
32 amended by chapter 344 of the laws of 2014, is amended to read as  
33 follows:

34 5. The exemption granted pursuant to this section shall only be appli-  
35 cable to (A) solar or wind energy systems or farm waste energy systems  
36 which are [(a)] (I) existing or constructed prior to July first, nine-  
37 teen hundred eighty-eight or [(b)] (II) constructed subsequent to Janu-  
38 ary first, nineteen hundred ninety-one and prior to January first, two  
39 thousand twenty-five, AND (B) MICRO-HYDROELECTRIC ENERGY SYSTEMS, FUEL  
40 CELL ELECTRIC GENERATING SYSTEMS, MICRO-COMBINED HEAT AND POWER GENERAT-  
41 ING EQUIPMENT SYSTEMS, OR ELECTRIC ENERGY STORAGE EQUIPMENT OR ELECTRIC  
42 ENERGY STORAGE SYSTEM WHICH ARE CONSTRUCTED SUBSEQUENT TO JANUARY FIRST,  
43 TWO THOUSAND SEVENTEEN AND PRIOR TO JANUARY FIRST, TWO THOUSAND TWENTY-  
44 FIVE.

45 S 4. Paragraph (a) of subdivision 8 of section 487 of the real proper-  
46 ty tax law, as amended by chapter 344 of the laws of 2014, is amended to  
47 read as follows:

48 (a) Notwithstanding the provisions of subdivision two of this section,  
49 a county, city, town or village may by local law or a school district,  
50 other than a school district to which article fifty-two of the education  
51 law applies, may by resolution provide EITHER (I) that no exemption  
52 under this section shall be applicable within its jurisdiction with  
53 respect to any solar or wind energy system or farm waste energy system  
54 which began construction subsequent to January first, nineteen hundred  
55 ninety-one or the effective date of such local law, ordinance or resol-  
56 ution, whichever is later, AND/OR (II) THAT NO EXEMPTION UNDER THIS

1 SECTION SHALL BE APPLICABLE WITHIN ITS JURISDICTION WITH RESPECT TO ANY  
2 MICRO-HYDROELECTRIC ENERGY SYSTEM, FUEL CELL ELECTRIC GENERATING SYSTEM,  
3 MICRO-COMBINED HEAT AND POWER GENERATING EQUIPMENT SYSTEM, OR ELECTRIC  
4 ENERGY STORAGE EQUIPMENT OR ELECTRIC ENERGY STORAGE SYSTEM CONSTRUCTED  
5 SUBSEQUENT TO JANUARY FIRST, TWO THOUSAND SEVENTEEN OR THE EFFECTIVE  
6 DATE OF SUCH LOCAL LAW, ORDINANCE OR RESOLUTION, WHICHEVER IS LATER. A  
7 copy of any such local law or resolution shall be filed with the commis-  
8 sioner and with the president of the authority.  
9 S 5. This act shall take effect January 1, 2017.