

STATE OF NEW YORK

9651

IN ASSEMBLY

January 30, 2018

Introduced by M. of A. CUSICK -- read once and referred to the Committee on Real Property Taxation

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, linear generator or other technology with
9 a rated capacity of at least one kilowatt and not more than ten kilo-
10 watts electric and any thermal output that has a design total fuel use
11 efficiency in the production of heat and electricity of not less than
12 eighty percent, and annually produces at least two thousand kilowatt
13 hours of useful energy in the form of electricity that may work in
14 combination with supplemental or parallel conventional heating systems,
15 that is manufactured, installed and operated in accordance with applica-
16 ble government and industry standards, that is connected to the electric
17 system and operated in conjunction with an electric corporation's trans-
18 mission and distribution facilities. It does not include pipes,
19 controls, insulation or other equipment which are part of the normal
20 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) "Linear generator electric generating equipment" or "linear gener-
26 ator" means an integrated system consisting of oscillators, cylinders,
27 electricity conversion equipment and associated balance of plant compo-
28 nents that directly convert the linear motion of the oscillators into

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

LBD14242-01-8

1 electricity and which has a combined rated capacity of not more than two
2 thousand kilowatts.

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

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

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

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

47 4. No solar or wind energy system, farm waste energy system, micro-hy-
48 droelectric energy system, fuel cell electric generating system, micro-
49 combined heat and power generating equipment system, ~~[or]~~ electric ener-
50 gy storage equipment and electric energy storage system, or linear
51 generator electric generating system shall be entitled to any exemption
52 from taxation under this section unless such system meets the guidelines
53 set by the president of the authority and all other applicable
54 provisions of law.

55 5. The exemption granted pursuant to this section shall only be appli-
56 cable to (a) solar or wind energy systems or farm waste energy systems

1 which are (i) existing or constructed prior to July first, nineteen
2 hundred eighty-eight or (ii) constructed subsequent to January first,
3 nineteen hundred ninety-one and prior to January first, two thousand
4 twenty-five, and (b) micro-hydroelectric energy systems, fuel cell elec-
5 tric generating systems, micro-combined heat and power generating equip-
6 ment systems, ~~[ex]~~ electric energy storage equipment or electric energy
7 storage system, or linear generator electric generating system which are
8 constructed subsequent to January first, two thousand eighteen and prior
9 to January first, two thousand twenty-five.

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

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

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