

# STATE OF NEW YORK

6762--B

2017-2018 Regular Sessions

## IN SENATE

June 16, 2017

Introduced by Sen. GRIFFO -- read twice and ordered printed, and when printed to be committed to the Committee on Rules -- 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 exempting from taxation combined heat and power generating equipment

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

1 Section 1. Paragraphs (k) and (l) of subdivision 1, subdivisions 2, 3,  
2 4 and 5 and paragraph (a) of subdivision 8 of section 487 of the real  
3 property tax law, paragraphs (k) and (l) of subdivision 1 as added and  
4 subdivisions 2, 3, 4 and 5 and paragraph (a) of subdivision 8 as amended  
5 by chapter 336 of the laws of 2017, are amended to read as follows:  
6 (k) "~~Micro-combined~~ Combined heat and power generating equipment"  
7 means an integrated, cogenerating building heating and electrical power  
8 generation system, [~~owned, leased or operated by~~ serving a residential  
9 or commercial customer, located at such customer's premises, operating  
10 on any fuel and of any applicable engine, fuel cell or other technology  
11 with a rated capacity of at least one kilowatt and not more than [~~ten~~  
12 kilowatts] fifteen megawatts electric and any thermal output that has a  
13 design total fuel use efficiency in the production of heat and electric-  
14 ity of not less than [~~eighty~~] sixty percent, and annually produces at  
15 least two thousand kilowatt hours of useful energy in the form of elec-  
16 tricity that may work in combination with supplemental or parallel  
17 conventional heating systems, that is manufactured, installed and oper-  
18 ated in accordance with applicable government and industry standards,  
19 that is connected to the electric system and operated in conjunction  
20 with an electric corporation's transmission and distribution facilities.

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

LBD01687-07-8

1 It does not include pipes, controls, insulation or other equipment which  
2 are part of the normal heating, cooling, or insulation system of a  
3 building. It does not include insulated glazing or insulation to the  
4 extent that such materials exceed the energy efficiency standards estab-  
5 lished by law.

6 (1) "~~Micro-combined~~ Combined heat and power generating equipment  
7 system" means an arrangement or combination of equipment designed to  
8 produce electrical energy and heat for a residential or commercial  
9 customer on such customer's premises.

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

33 3. The president of the authority shall provide definitions and guide-  
34 lines for the eligibility for exemption of the solar and wind energy  
35 equipment and systems, farm waste energy equipment and systems, micro-  
36 hydroelectric equipment and systems, fuel cell electric generating  
37 equipment and systems, ~~micro-combined~~ combined heat and power generat-  
38 ing equipment and systems and electric energy storage equipment and  
39 electric energy storage system described in paragraphs (a), (b), (e),  
40 (f), (g), (h), (i), (j), (k), (l), (m) and (n) of subdivision one of  
41 this section.

42 4. No solar or wind energy system, farm waste energy system, micro-hy-  
43 droelectric energy system, fuel cell electric generating system,  
44 ~~micro-combined~~ combined heat and power generating equipment system, or  
45 electric energy storage equipment and electric energy storage system  
46 shall be entitled to any exemption from taxation under this section  
47 unless such system meets the guidelines set by the president of the  
48 authority and all other applicable provisions of law.

49 5. The exemption granted pursuant to this section shall only be appli-  
50 cable to (a) solar or wind energy systems or farm waste energy systems  
51 which are (i) existing or constructed prior to July first, nineteen  
52 hundred eighty-eight or (ii) constructed subsequent to January first,  
53 nineteen hundred ninety-one and prior to January first, two thousand  
54 twenty-five, and (b) micro-hydroelectric energy systems, fuel cell elec-  
55 tric generating systems, ~~micro-combined~~ combined heat and power gener-  
56 ating equipment systems, or electric energy storage equipment or elec-

1 tric energy storage system which are constructed [~~subsequent to January~~  
2 ~~first, two thousand eighteen and~~] prior to January first, two thousand  
3 twenty-five.

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

21 § 2. This act shall take effect January 1, 2019.