

# STATE OF NEW YORK

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7418--A

## IN SENATE

January 17, 2018

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Introduced by Sen. GRIFFO -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

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, fuel-flexible linear generator or other  
9 technology with a rated capacity of at least one kilowatt and not more  
10 than ten kilowatts electric and any thermal output that has a design  
11 total fuel use efficiency in the production of heat and electricity of  
12 not less than eighty percent, and annually produces at least two thou-  
13 sand kilowatt hours of useful energy in the form of electricity that may  
14 work in combination with supplemental or parallel conventional heating  
15 systems, that is manufactured, installed and operated in accordance with  
16 applicable government and industry standards, that is connected to the  
17 electric system and operated in conjunction with an electric corpo-  
18 ration's transmission and distribution facilities. It does not include  
19 pipes, controls, insulation or other equipment which are part of the  
20 normal 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:

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

LBD14242-04-8

(o) "Fuel-flexible linear generator electric generating equipment" or "fuel-flexible linear generator" means an integrated system consisting of oscillators, cylinders, electricity conversion equipment and associated balance of plant components that directly convert the linear motion of the oscillators into electricity and which has a combined rated capacity of not more than two thousand kilowatts.

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

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

2. Real property which includes a solar or wind energy system, farm waste energy system, micro-hydroelectric energy system, fuel cell electric generating system, micro-combined heat and power generating equipment system, ~~[or]~~ electric energy storage equipment and electric energy storage system, or fuel-flexible linear generator electric generating 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, farm waste energy system, micro-hydroelectric energy system, fuel cell electric generating system, micro-combined heat and power generating equipment system, ~~[or]~~ electric energy storage equipment and electric energy storage system, or fuel-flexible linear generator electronic generating system for a period of fifteen years. When a solar or wind energy system or components thereof, farm waste energy system, micro-hydroelectric energy system, fuel cell electric generating system, micro-combined heat and power generating equipment system, ~~[or]~~ electric energy storage equipment and electric energy storage system, or fuel-flexible linear generator electronic generating 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. The exemption provided by this section is inapplicable to any structure that satisfies the requirements for exemption under section four hundred eighty-three-e of this title.

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, farm waste energy equipment and systems, micro-hydroelectric equipment and systems, fuel cell electric generating equipment and systems, micro-combined heat and power generating equipment and systems ~~[and]~~, electric energy storage equipment and electric energy storage system, and fuel-flexible linear generator electric generating equipment and systems described in paragraphs (a), (b), (e), (f), (g), (h), (i), (j), (k), (l), (m) ~~[and]~~, (n), (o) and (p) of subdivision one of this section.

4. No solar or wind energy system, farm waste energy system, micro-hydroelectric energy system, fuel cell electric generating system, micro-combined heat and power generating equipment system, ~~[or]~~ electric energy storage equipment and electric energy storage system, or fuel-flexible linear generator electric generating system shall be enti-

1 tled to any exemption from taxation under this section unless such  
2 system meets the guidelines set by the president of the authority and  
3 all other applicable provisions of law.

4 5. The exemption granted pursuant to this section shall only be appli-  
5 cable to (a) solar or wind energy systems or farm waste energy systems  
6 which are (i) existing or constructed prior to July first, nineteen  
7 hundred eighty-eight or (ii) constructed subsequent to January first,  
8 nineteen hundred ninety-one and prior to January first, two thousand  
9 twenty-five, and (b) micro-hydroelectric energy systems, fuel cell elec-  
10 tric generating systems, micro-combined heat and power generating equip-  
11 ment systems, ~~[ex]~~ electric energy storage equipment or electric energy  
12 storage system, or fuel-flexible linear generator electric generating  
13 system which are constructed subsequent to January first, two thousand  
14 eighteen and prior to January first, two thousand twenty-five.

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

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

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