

STATE OF NEW YORK

8906

IN ASSEMBLY

January 5, 2018

Introduced by M. of A. PAULIN, DICKENS, D'URSO, JAFFEE, LIFTON, ORTIZ, SEPULVEDA, SIMON, CASTORINA, CROUCH -- read once and referred to the Committee on Real Property Taxation

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.
21 It does not include pipes, controls, insulation or other equipment which
22 are part of the normal heating, cooling, or insulation system of a
23 building. It does not include insulated glazing or insulation to the
24 extent that such materials exceed the energy efficiency standards estab-
25 lished by law.

26 (l) "[~~Micro-combined~~] Combined heat and power generating equipment
27 system" means an arrangement or combination of equipment designed to

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

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1 produce electrical energy and heat for a residential or commercial
2 customer on such customer's premises.

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

26 3. The president of the authority shall provide definitions and guide-
27 lines for the eligibility for exemption of the solar and wind energy
28 equipment and systems, farm waste energy equipment and systems, micro-
29 hydroelectric equipment and systems, fuel cell electric generating
30 equipment and systems, [~~micro-combined~~] combined heat and power generat-
31 ing equipment and systems and electric energy storage equipment and
32 electric energy storage system described in paragraphs (a), (b), (e),
33 (f), (g), (h), (i), (j), (k), (l), (m) and (n) of subdivision one of
34 this section.

35 4. No solar or wind energy system, farm waste energy system, micro-hy-
36 droelectric energy system, fuel cell electric generating system,
37 [~~micro-combined~~] combined heat and power generating equipment system, or
38 electric energy storage equipment and electric energy storage system
39 shall be entitled to any exemption from taxation under this section
40 unless such system meets the guidelines set by the president of the
41 authority and all other applicable provisions of law.

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

53 (a) Notwithstanding the provisions of subdivision two of this section,
54 a county, city, town or village may by local law or a school district,
55 other than a school district to which article fifty-two of the education
56 law applies, may by resolution provide either (i) that no exemption

1 under this section shall be applicable within its jurisdiction with
2 respect to any solar or wind energy system or farm waste energy system
3 which began construction subsequent to January first, nineteen hundred
4 ninety-one or the effective date of such local law, ordinance or resolu-
5 tion, whichever is later, and/or (ii) that no exemption under this
6 section shall be applicable within its jurisdiction with respect to any
7 micro-hydroelectric energy system, fuel cell electric generating system,
8 [~~micro-combined~~ combined heat and power generating equipment system, or
9 electric energy storage equipment or electric energy storage system
10 constructed subsequent to January first, two thousand eighteen or the
11 effective date of such local law, ordinance or resolution, whichever is
12 later. A copy of any such local law or resolution shall be filed with
13 the commissioner and with the president of the authority.

14 § 2. This act shall take effect January 1, 2019; provided, however,
15 that if chapter 336 of the laws of 2017 shall not have taken effect on
16 or before such date then section one of this act shall take effect on
17 the same date and in the same manner as such chapter of the laws of
18 2017, takes effect.