

# STATE OF NEW YORK

7418--B

Cal. No. 399

## IN SENATE

January 17, 2018

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 -- passed by Senate and delivered to the Assembly, recalled, vote reconsidered, restored to 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.

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

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1 § 2. Subdivision 1 of section 487 of the real property tax law is  
2 amended by adding two new paragraphs (o) and (p) to read as follows:

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

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

14 § 3. Subdivisions 2, 3, 4, 5, and 8 of section 487 of the real proper-  
15 ty tax law, subdivisions 2, 3, 4 and 5 and paragraph (a) of subdivision  
16 8 as amended by chapter 336 of the laws of 2017, and subdivision 8 as  
17 amended by chapter 344 of the laws of 2014, are amended to read as  
18 follows:

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

44 3. The president of the authority shall provide definitions and guide-  
45 lines for the eligibility for exemption of the solar and wind energy  
46 equipment and systems, farm waste energy equipment and systems, micro-  
47 hydroelectric equipment and systems, fuel cell electric generating  
48 equipment and systems, micro-combined heat and power generating equip-  
49 ment and systems ~~[and]~~, electric energy storage equipment and electric  
50 energy storage system, and fuel-flexible linear generator electric  
51 generating equipment and systems described in paragraphs (a), (b), (e),  
52 (f), (g), (h), (i), (j), (k), (l), (m) ~~[and]~~, (n), (o) and (p) of subdi-  
53 vision one of this section.

54 4. No solar or wind energy system, farm waste energy system, micro-hy-  
55 droelectric energy system, fuel cell electric generating system, micro-  
56 combined heat and power generating equipment system, ~~[ex]~~ electric ener-

1 gy storage equipment and electric energy storage system, or  
2 fuel-flexible linear generator electric generating system shall be enti-  
3 tled to any exemption from taxation under this section unless such  
4 system meets the guidelines set by the president of the authority and  
5 all other applicable provisions of law.

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

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

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

44 § 4. This act shall take effect March 1, 2019.