

# STATE OF NEW YORK

5150

2021-2022 Regular Sessions

## IN ASSEMBLY

February 11, 2021

Introduced by M. of A. PAULIN, DICKENS, SIMON -- 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:

Section 1. Paragraphs (k) and (l) of subdivision 1, subdivisions 2, 3, 4 and 5 of paragraph (a) of subdivision 8 of section 487 of the real property tax law, paragraph (l) of subdivision 1 as added by chapter 336 of the laws of 2017 and paragraph (k) of subdivision 1 and subdivisions 2, 3, 4 and 5 and paragraph (a) of subdivision 8 as amended by chapter 325 of the laws of 2018, are amended to read as follows:

(k) "~~Micro-combined~~ Combined heat and power generating equipment" means an integrated, cogenerating building heating and electrical power generation system, ~~[owned, leased or operated by]~~ serving a residential or commercial customer, located at such customer's premises, operating on any fuel and of any applicable engine, fuel cell, fuel-flexible linear generator or other technology with a rated capacity of at least one kilowatt and not more than ~~[ten kilowatts]~~ fifteen megawatts electric and any thermal output that has a design total fuel use efficiency in the production of heat and electricity of not less than ~~[eighty]~~ sixty percent, and annually produces at least two thousand kilowatt hours of useful energy in the form of electricity that may work in combination with supplemental or parallel conventional heating systems, that is manufactured, installed and operated in accordance with applicable government and industry standards, that is connected to the electric system and operated in conjunction with an electric corporation's transmission and distribution facilities. It does not include pipes, controls, insulation or other equipment which are part of the normal heating, cooling, or insulation system of a building. It does not

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

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1 include insulated glazing or insulation to the extent that such materi-  
2 als exceed the energy efficiency standards established by law.

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

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

32 3. The president of the authority shall provide definitions and guide-  
33 lines for the eligibility for exemption of the solar and wind energy  
34 equipment and systems, farm waste energy equipment and systems, micro-  
35 hydroelectric equipment and systems, fuel cell electric generating  
36 equipment and systems, [~~micro-combined~~] combined heat and power generat-  
37 ing equipment and systems, electric energy storage equipment and elec-  
38 tric energy storage system, and fuel-flexible linear generator electric  
39 generating equipment and systems described in paragraphs (a), (b), (e),  
40 (f), (g), (h), (i), (j), (k), (l), (m), (n), (o) and (p) of subdivision  
41 one of 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,  
45 electric energy storage equipment and electric energy storage system, or  
46 fuel-flexible linear generator electric generating system shall be enti-  
47 tled to any exemption from taxation under this section unless such  
48 system meets the guidelines set by the president of the authority and  
49 all other applicable provisions of law.

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

1 ating equipment systems, electric energy storage equipment or electric  
2 energy storage system, or fuel-flexible linear generator electric gener-  
3 ating system which are constructed subsequent to January first, two  
4 thousand eighteen and prior to January first, two thousand twenty-five.

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

23 § 2. This act shall take effect January 1, 2022.