

# STATE OF NEW YORK

9691

## IN SENATE

May 21, 2024

Introduced by Sen. PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications

AN ACT to amend the public service law and the real property tax law, in relation to establishing an exemption from taxation for energy-related public utility real property related to attaining state climate goals

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

1 Section 1. The public service law is amended by adding a new section  
2 28 to read as follows:

3 § 28. Utility tax exemption for energy-related public utility real  
4 property related to attaining state climate goals. 1. The department is  
5 authorized and directed to consult with the commissioner of taxation and  
6 finance in developing definitions and guidelines for the eligibility for  
7 exemption of energy-related public utility real property as described in  
8 subdivisions two and three of section four hundred eighty-seven-b of the  
9 real property tax law. No energy-related public utility real property  
10 shall be entitled to any exemption from taxation under section four  
11 hundred eighty-seven-b of the real property tax law unless such project  
12 meets the guidelines set by the commissioner of taxation and finance in  
13 consultation with the department.

14 2. The department shall ensure that any net decrease in a utility  
15 company's real property tax expense resulting from the provisions of  
16 section four hundred eighty-seven-b of the real property tax law shall  
17 inure to the benefit of the ratepayers of such company.

18 § 2. The real property tax law is amended by adding a new section  
19 487-b to read as follows:

20 § 487-b. Exemption from taxation for energy-related public utility  
21 real property related to attaining state climate goals. 1. As used in  
22 this section:

23 (a) "Energy-related public utility real property" means real property  
24 that is owned by a utility corporation and used in the storage, trans-  
25 mission and distribution of electricity, or steam including conduits,  
26 cables, lines, wires, poles, mains, pipes, substations, tanks, supports  
27 and enclosures for electrical conductors located on, above and below  
28 real property.

29 (b) "Department" means the department of public service.

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

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1 (c) "Utility corporation" shall have the same meaning as defined in  
2 section two of the public service law.

3 (d) "State climate goals" shall mean the climate justice and emission  
4 reduction goals in article seventy-five of the environmental conserva-  
5 tion law and the renewable energy goals in section sixty-six-p of the  
6 public service law.

7 2. Energy-related public utility real property, the primary purpose of  
8 which is to aid in meeting state climate goals, shall be exempt from  
9 taxation, special ad valorem levies, and special assessments. Such  
10 exemption shall remain in effect until such energy-related public utili-  
11 ty real property is retired and removed from service.

12 3. Energy-related public utility real property owned by a utility  
13 corporation prior to January first, two thousand twenty-four, the prima-  
14 ry purpose of which is to aid in meeting state climate goals, shall be  
15 exempt from taxation, special ad valorem levies, and special assessments  
16 to the extent of any increase in the value thereof by reason of the  
17 inclusion of new energy-related public utility real property designed to  
18 meet state climate goals. Such exemption shall remain in effect until  
19 such assets or installations are retired and removed from service.

20 4. The commissioner, in consultation with the department, shall, after  
21 notice and opportunity for public comment, provide definitions and  
22 guidelines for the eligibility for exemption of energy-related public  
23 utility real property described in subdivisions two and three of this  
24 section. No energy-related public utility real property shall be enti-  
25 tled to any exemption from taxation under this section unless such  
26 project meets the guidelines set by the commissioner, in consultation  
27 with the department, and all other applicable provisions of law. The  
28 commissioner, in consultation with the department, shall determine  
29 adherence to such definitions and guidelines for each application and  
30 shall certify or withhold certification for each application.

31 5. Such exemption shall be granted upon application by the owner and  
32 certification by the commissioner, in consultation with the department.  
33 Such application by the owner of the energy-related public utility real  
34 property shall be on a form prescribed and made available by the commis-  
35 sioner, in consultation with the department. The applicant shall furnish  
36 such information as the commissioner shall require. The application  
37 shall be filed with the assessor of the appropriate county, city, town  
38 or village having the power to assess property for taxation on or before  
39 the taxable status date of such county, city, town or village. A copy of  
40 such application shall be filed with the commissioner who shall provide  
41 it to the department.

42 6. The assessor shall approve applications certified by the commis-  
43 sioner. In the event that energy-related public utility real property  
44 granted an exemption pursuant to this section ceases to be used primari-  
45 ly for eligible purposes, the exemption granted pursuant to this section  
46 shall cease.

47 7. Any net decrease in a utility company's real property tax expense  
48 resulting from the provisions of this section shall inure to the benefit  
49 of the ratepayers of such company.

50 § 3. This act shall take effect on the first of January next succeed-  
51 ing the date on which it shall have become a law and shall apply to  
52 taxable years beginning on or after such date. Effective immediately,  
53 the addition, amendment and/or repeal of any rule or regulation neces-  
54 sary for the implementation of this act on its effective date are  
55 authorized to be made and completed on or before such effective date.