

STATE OF NEW YORK

10695

IN ASSEMBLY

March 20, 2026

Introduced by M. of A. BUTTENSCHON -- read once and referred to the Committee on Environmental Conservation

AN ACT to amend the state finance law, in relation to the use of funds in the New York state climate investment account; to amend the tax law and the state finance law, in relation to establishing a one-year utility bill tax and surcharge holiday; to amend the tax law, in relation to establishing a two-year green energy tax holiday; to amend the public service law, in relation to legislative hearings and audits of utilities and reconsideration of rate increases; directing the public service commission to conduct a study analyzing the economic impact of the use of smart meters; to amend the public service law, in relation to costs and expenses of the department of public service and the public service commission; to amend the tax law, in relation to providing for a ratepayer protection tax credit; to repeal certain provisions of the public service law relating to the assessment of costs and expenses of the department of public service and the public service commission; and providing for the repeal of certain provisions upon expiration thereof

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

1 Section 1. Paragraph (c) of subdivision 3 of section 99-qq of the
2 state finance law, as added by section 2 of part TT of chapter 56 of the
3 laws of 2023, is amended to read as follows:
4 (c) The New York climate action fund climate investment account shall
5 consist of moneys received by the state pursuant to paragraph (c) of
6 subdivision twenty-five of section eighteen hundred fifty-four of the
7 public authorities law, and all other moneys appropriated, credited, or
8 transferred thereto from any other fund or source pursuant to law.
9 Moneys of the account shall be made available for the purposes of
10 assisting the state in transitioning to a less carbon intensive economy,
11 including but not limited to: (i) purposes which are consistent with the
12 general findings of the scoping plan prepared pursuant to section
13 75-0103 of the environmental conservation law; (ii) administrative and
14 implementation costs, auction design and support costs, program design,

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

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1 evaluation, and other associated costs; and (iii) measures which prior-
2 itize disadvantaged communities by supporting actions consistent with
3 the requirements of paragraph d of subdivision three of section 75-0109
4 and of section 75-0117 of the environmental conservation law, identified
5 through community decision-making and stakeholder input, including early
6 action to reduce greenhouse gas emissions in disadvantaged communities;
7 provided, however, that any surplus or uncommitted funds remaining in
8 the account at the end of each fiscal year that were collected by utili-
9 ties on a bill-as-you-go basis pursuant to the clean energy fund frame-
10 work ordered by the public service commission, including any such funds
11 collected by utilities but not transferred to such account or trans-
12 ferred to the New York state energy research and development authority
13 shall be credited to ratepayer accounts.

14 § 2. The tax law is amended by adding a new section 47-a to read as
15 follows:

16 § 47-a. Utility bill tax and surcharge holiday. (a) Definitions. For
17 the purposes of this section, the following terms have the following
18 meanings:

19 (1) "Applicable period" shall mean the period beginning fourteen days
20 after the effective date of this section and ending one year after such
21 beginning date.

22 (2) "Utility company" shall have the same meaning as such term is
23 defined in section two of the public service law.

24 (b) (1) Exemption from taxation. Notwithstanding any other provision
25 of law, rule or regulation to the contrary, the following taxes imposed
26 on utility customers during the applicable period shall be exempt; gross
27 receipts tax and sales tax.

28 (2) Exemption from surcharges. Notwithstanding any other provision of
29 law, rule or regulation to the contrary, the following surcharges
30 imposed on utility customers made during the applicable period shall be
31 exempt; system benefits charge, temporary state assessment/incremental
32 state assessment charge and the renewable portfolio standard charge.

33 (c) Price reduction. During the applicable period the utility company
34 shall reduce the price of services by the amount of tax and surcharges
35 in excess that would have been collected from the customer if the
36 service had not been exempt from tax and surcharges pursuant to subdivi-
37 sion (b) of this section.

38 § 3. The tax law is amended by adding a new section 47-b to read as
39 follows:

40 § 47-b. Green energy tax holiday. Notwithstanding any rule, law, regu-
41 lation, or order of the public service commission to the contrary, no
42 tariff or surcharge assessed for the construction or implementation of
43 renewable energy systems, as defined by section sixty-six-p of the
44 public service law, electric vehicle ready infrastructure, as defined by
45 section 11-104 of the energy law, or electric vehicle charging stations,
46 as defined by section 11-104 of the energy law, may be imposed on any
47 utility ratepayer for a period of two years after the effective date of
48 this act.

49 § 4. The state finance law is amended by adding a new section 89-1 to
50 read as follows:

51 § 89-1. Utility bill tax and surcharge holiday. Within forty-five days
52 after the applicable period as defined by subdivision (a) of section
53 forty-seven-a of the tax law, the comptroller, in consultation with the
54 director of the division of the budget, shall transfer from the general
55 fund an amount equal to the amount that would have otherwise been depos-
56 ited in such accounts if the exemptions defined in paragraph one of

1 subdivision (b) of section forty-seven-a of the tax law had not been
2 authorized.

3 § 5. Section 66 of the public service law is amended by adding a new
4 subdivision 19-a to read as follows:

5 19-a. The commission shall promulgate rules and regulations relating
6 to audits of utility corporations and attendance and participation of
7 such corporations at legislative hearings. Such rules and regulations
8 shall provide that utility corporations may be subject to audits by
9 appropriate state agencies, including, but not limited to the state
10 comptroller's office and the department of financial services, and that
11 such corporations may be subject to state legislative hearings regarding
12 rate increases and energy costs.

13 § 6. Subdivision 12 of section 66 of the public service law is amended
14 by adding a new paragraph (n) to read as follows:

15 (n) Notwithstanding any provision of law to the contrary, the commis-
16 sion shall be authorized to reconsider a rate increase that has been
17 approved and implemented pursuant to the provisions of this chapter and
18 to reinstate the rate prior to such increase or to reduce the amount of
19 such rate increase if the commission finds that such previously approved
20 rate increase is having a larger financial impact on customers than
21 anticipated when approving such rate increase.

22 § 7. The public service law is amended by adding a new section 67-b
23 to read as follows:

24 § 67-b. Smart meters; right of refusal. 1. It shall be the right of
25 every customer of an electric and/or gas corporation to decline the
26 permission of such customer's electric and/or gas corporation to: (a)
27 replace an existing meter at such customer's premises that is assigned
28 to such customer's account with a smart meter; or (b) install any two-
29 way smart meter device at such customer's property without such custom-
30 er's consent. No customer of an electric and/or gas corporation shall be
31 charged a penalty, fee, or service charge for exercising such right
32 pursuant to this section.

33 2. For the purposes of this section, "smart meter" shall mean a
34 metering device that electronically measures energy usage by a customer
35 and transmits such usage data to a utility for the purposes of billing
36 and monitoring.

37 § 8. a. The public service commission shall conduct a study to
38 analyze the economic impact, if any, of the use of smart meters. Such
39 study shall analyze the correlation, if any, between the installation of
40 smart meters and rising energy usage and rates, and any discrepancies
41 therein.

42 b. Within one year of the effective date of this act, the commission
43 shall issue a report on its findings and any recommendations pursuant to
44 such study and deliver such report to the governor and the legislature.
45 The commission shall also publish such report on the commission's
46 website.

47 § 9. Subdivision 1 of section 18-a of the public service law, as
48 amended by section 2 of part NN of chapter 59 of the laws of 2009, is
49 amended to read as follows:

50 [~~1-~~] All costs and expenses of the department and commission shall be
51 paid pursuant to appropriation by the legislature on the certification
52 of the [~~chairman~~] chair of the department and upon the audit and warrant
53 of the comptroller. The state treasury shall be reimbursed therefore by
54 payments to be made thereto from all moneys collected pursuant to this
55 chapter. The total of such costs and expenses shall be borne by the
56 public utility companies (including for the purposes of this section

1 municipalities other than municipalities as defined in section eighty-
2 nine-1 of this chapter), corporations (including the power authority of
3 the state of New York), and persons subject to the commission's regu-
4 lation, to be assessed in the manner provided in [~~subdivisions two,
5 three and four of this section and~~] section two hundred seventeen of
6 this chapter.

7 § 10. Subdivisions 1-a, 2, 3, 4, 4-a, 4-b and 5 of section 18-a of the
8 public service law are REPEALED.

9 § 11. Section 5 of the public service law is amended by adding a new
10 subdivision 7 to read as follows:

11 7. (a) The commission, in consultation with the comptroller, shall
12 develop a formula to determine the average cost, on a per ratepayer
13 basis, to comply with the provisions set forth in article seventy-five
14 of the environmental conservation law, or any other rule or regulation
15 promulgated by a state agency prior to the effective date of this subdi-
16 vision, or any subsequent action taken thereafter, to meet the emissions
17 goals set forth by article seventy-five of the environmental conserva-
18 tion law.

19 (b) Beginning March first, two thousand twenty-six, the commission,
20 thirty days prior to issuing any order, directive, rule, or regulation,
21 shall disclose to the public through public notice and on their website
22 the cost, as determined by the formula developed by the commission per
23 this subdivision, of any order, directive, rule, or regulation issued to
24 comply with article seventy-five of the environmental conservation law
25 by the commission.

26 § 12. Section 606 of the tax law is amended by adding a new subsection
27 (bbb) to read as follows:

28 (bbb) Ratepayer protection credit. (1) Allowance of credit. An indi-
29 vidual taxpayer whose annual gross income does not exceed two hundred
30 fifty thousand dollars shall be allowed a credit against tax imposed by
31 this article for the cost of the implementation of article seventy-five
32 of the environmental conservation law as determined by subdivision seven
33 of section five of the public service law.

34 (2) Carryover of credit and refundability. If the amount of the cred-
35 it, and carryovers of such credit, allowable under this subsection for
36 any taxable year shall exceed the taxpayer's tax for such year, such
37 excess amount may be carried over to the five taxable years next follow-
38 ing the taxable year with respect to which the credit is allowed and may
39 be deducted from the taxpayer's tax for such year or years. For taxable
40 years beginning on or after January first, two thousand twenty-seven, if
41 the amount of the credit allowable under this subsection shall exceed
42 the taxpayer's tax liability for such year, the excess shall be treated
43 as an overpayment of tax to be credited or refunded in accordance with
44 the provisions of section six hundred eighty-six of this article,
45 provided, however, that no interest shall be paid thereon.

46 § 13. The tax law is amended by adding a new section 187-s to read as
47 follows:

48 § 187-s. Ratepayer protection credit. 1. Allowance of credit. A
49 taxpayer shall be allowed a credit for the cost of the implementation of
50 article seventy-five of the environmental conservation law as determined
51 by subdivision seven of section five of the public service law against
52 the taxes imposed by sections one hundred eighty-three, one hundred
53 eighty-four and former section one hundred eighty-six of this article;
54 provided, however, that the amount of such credit allowable against the
55 tax imposed by section one hundred eighty-four of this article shall be
56 the excess of the amount of such credit over the amount of any credit

1 allowed by this section against the tax imposed by section one hundred
2 eighty-three of this article.

3 2. Carryovers. In no event shall the credit under this section be
4 allowed in an amount which will reduce the tax payable to less than the
5 applicable minimum tax fixed by section one hundred eighty-three or
6 former section one hundred eighty-six of this article. If, however, the
7 amount of credit allowable under this section for any taxable year
8 reduces the tax to such amount, any amount of credit not deductible in
9 such taxable year may be carried over to the following year or years and
10 may be deducted from the taxpayer's tax for such year or years.

11 § 14. This act shall take effect immediately; provided that the
12 provisions of section one of this act shall apply to the 2026 fiscal
13 year retroactively, and to fiscal years beginning on or after such
14 fiscal year; provided further, however, that section eight of this act
15 shall expire and be deemed repealed two years after such effective date.