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:

Section 1. Paragraph (c) of subdivision 3 of section 99-qq of the state finance law, as added by section 2 of part TT of chapter 56 of the laws of 2023, is amended to read as follows:

(c) The New York climate action fund climate investment account shall consist of moneys received by the state pursuant to paragraph (c) of subdivision twenty-five of section eighteen hundred fifty-four of the public authorities law, and all other moneys appropriated, credited, or transferred thereto from any other fund or source pursuant to law. Moneys of the account shall be made available for the purposes of assisting the state in transitioning to a less carbon intensive economy, including but not limited to: (i) purposes which are consistent with the general findings of the scoping plan prepared pursuant to section 75-0103 of the environmental conservation law; (ii) administrative and 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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evaluation, and other associated costs; and (iii) measures which prioritize disadvantaged communities by supporting actions consistent with the requirements of paragraph d of subdivision three of section 75-0109 and of section 75-0117 of the environmental conservation law, identified through community decision-making and stakeholder input, including early action to reduce greenhouse gas emissions in disadvantaged communities; provided, however, that any surplus or uncommitted funds remaining in the account at the end of each fiscal year that were collected by utilities on a bill-as-you-go basis pursuant to the clean energy fund framework ordered by the public service commission, including any such funds collected by utilities but not transferred to such account or transferred to the New York state energy research and development authority shall be credited to ratepayer accounts.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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