

STATE OF NEW YORK

1161

2025-2026 Regular Sessions

IN ASSEMBLY

January 9, 2025

Introduced by M. of A. PAULIN, 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:

1 Section 1. Paragraphs (k) and (l) of subdivision 1, subdivisions 2, 3,
2 4 and 5 and paragraph (a) of subdivision 8 of section 487 of the real
3 property tax law, paragraph (l) of subdivision 1 as added by chapter 336
4 of the laws of 2017, paragraph (k) of subdivision 1 and subdivisions 2,
5 3, 4 and paragraph (a) of subdivision 8 as amended by chapter 325 of the
6 laws of 2018, and subdivision 5 as amended by section 1 of part X of
7 chapter 59 of the laws of 2021, are amended to read as follows:

8 (k) "~~Micro-combined~~ Combined heat and power generating equipment"
9 means an integrated, cogenerating building heating and electrical power
10 generation system, [~~owned, leased or operated by~~ servicing a residential
11 or commercial customer, located at such customer's premises, operating
12 on any fuel and of any applicable engine, fuel cell, fuel-flexible line-
13 ar generator or other technology with a rated capacity of at least one
14 kilowatt and not more than [~~ten kilowatts~~ fifteen megawatts electric
15 and any thermal output that has a design total fuel use efficiency in
16 the production of heat and electricity of not less than [~~eighty~~ sixty
17 percent, and annually produces at least two thousand kilowatt hours of
18 useful energy in the form of electricity that may work in combination
19 with supplemental or parallel conventional heating systems, that is
20 manufactured, installed and operated in accordance with applicable
21 government and industry standards, that is connected to the electric
22 system and operated in conjunction with an electric corporation's trans-
23 mission and distribution facilities. It does not include pipes,
24 controls, insulation or other equipment which are part of the normal
25 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 thirty, and (b) micro-hydroelectric energy systems, fuel cell electric
56 generating systems, ~~micro-combined~~ combined heat and power generating

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

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, 2026.