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:

Section 1. Paragraphs (k) and (l) of subdivision 1, subdivisions 2, 3, 4 and 5 and 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, paragraph (k) of subdivision 1 and subdivisions 2, 3, 4 and paragraph (a) of subdivision 8 as amended by chapter 325 of the laws of 2018, and subdivision 5 as amended by section 1 of part X of chapter 59 of the laws of 2021, 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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include insulated glazing or insulation to the extent that such materials exceed the energy efficiency standards established by law.

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

2. Real property which includes a solar or wind energy system, farm waste energy system, micro-hydroelectric energy system, fuel cell electric generating system, [~~micro-combined~~] **combined** heat and power generating equipment system, electric energy storage equipment and electric energy storage system, or fuel-flexible linear generator electric generating system approved in accordance with the provisions of this section shall be exempt from taxation to the extent of any increase in the value thereof by reason of the inclusion of such solar or wind energy system, farm waste energy system, micro-hydroelectric energy system, fuel cell electric generating system, [~~micro-combined~~] **combined** heat and power generating equipment system, electric energy storage equipment and electric energy storage system, or fuel-flexible linear generator electronic generating system for a period of fifteen years. When a solar or wind energy system or components thereof, farm waste energy system, micro-hydroelectric energy system, fuel cell electric generating system, [~~micro-combined~~] **combined** heat and power generating equipment system, electric energy storage equipment and electric energy storage system, or fuel-flexible linear generator electronic generating system also serve as part of the building structure, the increase in value which shall be exempt from taxation shall be equal to the assessed value attributable to such system or components multiplied by the ratio of the incremental cost of such system or components to the total cost of such system or components. The exemption provided by this section is inapplicable to any structure that satisfies the requirements for exemption under section four hundred eighty-three-e of this title.

3. The president of the authority shall provide definitions and guidelines for the eligibility for exemption of the solar and wind energy equipment and systems, farm waste energy equipment and systems, micro-hydroelectric equipment and systems, fuel cell electric generating equipment and systems, [~~micro-combined~~] **combined** heat and power generating equipment and systems, electric energy storage equipment and electric energy storage system, and fuel-flexible linear generator electric generating equipment and systems described in paragraphs (a), (b), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o) and (p) of subdivision one of this section.

4. No solar or wind energy system, farm waste energy system, micro-hydroelectric energy system, fuel cell electric generating system, [~~micro-combined~~] **combined** heat and power generating equipment system, electric energy storage equipment and electric energy storage system, or fuel-flexible linear generator electric generating system shall be entitled to any exemption from taxation under this section unless such system meets the guidelines set by the president of the authority and all other applicable provisions of law.

5. The exemption granted pursuant to this section shall only be applicable to (a) solar or wind energy systems or farm waste energy systems which are (i) existing or constructed prior to July first, nineteen hundred eighty-eight or (ii) constructed subsequent to January first, nineteen hundred ninety-one and prior to January first, two thousand thirty, and (b) micro-hydroelectric energy systems, fuel cell electric generating systems, [~~micro-combined~~] **combined** heat and power generating

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

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

§ 2. This act shall take effect January 1, 2026.