STATE OF NEW YORK

2475

2025-2026 Regular Sessions

IN SENATE

January 21, 2025

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:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. The assessor shall approve applications certified by the commissioner. In the event that energy-related public utility real property granted an exemption pursuant to this section ceases to be used primarily for eligible purposes, the exemption granted pursuant to this section shall cease.

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

§ 3. This act shall take effect on the first of January next succeeding the date on which it shall have become a law and shall apply to taxable years beginning on or after such date. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.