

 KeyCite Yellow Flag - Negative Treatment  
Proposed Legislation

[McKinney's Consolidated Laws of New York Annotated](#)

[Real Property Tax Law \(Refs & Annos\)](#)

[Chapter 50-a. Of the Consolidated Laws](#)

[Article 4. Exemptions](#)

[Title 2. Private Property](#)

McKinney's RPTL § 487

§ 487. Exemption from taxation for certain energy systems

Effective: January 1, 2018

[Currentness](#)

1. As used in this section:

(a) "Solar or wind energy equipment" means collectors, controls, energy storage devices, heat pumps and pumps, heat exchangers, windmills, and other materials, hardware or equipment necessary to the process by which solar radiation or wind is (i) collected, (ii) converted into another form of energy such as thermal, electrical, mechanical or chemical, (iii) stored, (iv) protected from unnecessary dissipation and (v) distributed. 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 include insulated glazing or insulation to the extent that such materials exceed the energy efficiency standards required by law.

(b) "Solar or wind energy system" means an arrangement or combination of solar or wind energy equipment designed to provide heating, cooling, hot water, or mechanical, chemical, or electrical energy by the collection of solar or wind energy and its conversion, storage, protection and distribution.

(c) "Authority" means the New York state energy research and development authority.

(d) "Incremental cost" means the increased cost of a solar or wind energy system or farm waste energy system or component thereof which also serves as part of the building structure, above that for similar conventional construction, which enables its use as a solar or wind energy or farm waste energy system or component.

(e) "Farm waste electric generating equipment" means equipment that generates electric energy from biogas produced by the anaerobic digestion of agricultural waste, such as livestock manure, farming waste and food processing wastes with a rated capacity of not more than one thousand kilowatts that is (i) manufactured, installed and operated in accordance with applicable government and industry standards, (ii) connected to the electric system and operated in conjunction with an

electric corporation's transmission and distribution facilities, (iii) operated in compliance with the provisions of [section sixty-six-j of the public service law](#), (iv) fueled at a minimum of ninety percent on an annual basis by biogas produced from the anaerobic digestion of agricultural waste such as livestock manure materials, crop residues and food processing wastes, and (v) fueled by biogas generated by anaerobic digestion with at least fifty percent by weight of its feedstock being livestock manure materials on an annual basis.

(f) "Farm waste energy system" means an arrangement or combination of farm waste electric generating equipment or other materials, hardware or equipment necessary to the process by which agricultural waste biogas is produced, collected, stored, cleaned, and converted into forms of energy such as thermal, electrical, mechanical or chemical and by which the biogas and converted energy are distributed on-site. It does not include pipes, controls, insulation or other equipment which are part of the normal heating, cooling or insulation system of a building.

(g) "Micro-hydroelectric energy equipment" means any energy storage device, penstock, turbine, generator and other materials, hardware and equipment necessary to the process by which the flow of stream or river water or water from other water bodies is (i) converted into electrical energy; (ii) protected from unnecessary dissipation; and (iii) distributed. 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 include insulated glazing or insulation to the extent that such materials exceed the energy efficiency standards established by law.

(h) "Micro-hydroelectric energy system" means an arrangement or combination of micro-hydroelectric energy equipment designed to provide electrical energy by the use of flowing water. 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 include insulated glazing or insulation to the extent that such materials exceed the energy efficiency standards established by law.

(i) "Fuel cell electric generating equipment" means a solid oxide, molten carbonate, proton exchange membrane or phosphoric acid fuel cell with a combined rated capacity of not more than two thousand kilowatts. It does not include insulated glazing or insulation to the extent that such materials exceed the energy efficiency standards established by law.

(j) "Fuel cell electric generating system" means an arrangement or combination of equipment designed to produce electrical energy through reaction of chemicals, including but not limited to hydrogen, oxygen, methane and natural gas.

(k) "Micro-combined heat and power generating equipment" means an integrated, cogenerating building heating and electrical power generation system, owned, leased or operated by a residential customer, located at such customer's premises, operating on any fuel and of any applicable engine, fuel cell or other technology with a rated capacity of at least one kilowatt and not more than ten kilowatts 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 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 include insulated glazing or insulation to the extent that such materials exceed the energy efficiency standards established by law.

(l) “Micro-combined heat and power generating equipment system” means an arrangement or combination of equipment designed to produce electrical energy and heat for a residential customer on such customer’s premises.

(m) “Electric energy storage equipment” means a set of technologies capable of storing electric energy and releasing that energy as electric power at a later time. Electric energy storage technologies may store energy as potential, kinetic, chemical or thermal energy, that can be released as electric power and include, but are not limited to, various types of batteries, flywheels, electrochemical capacitors, compressed air storage and thermal storage devices.

(n) “Electric energy storage system” means an arrangement or combination of equipment designed to store electrical energy in electric energy storage equipment and release electric power at a later time.

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 heat and power generating equipment system, or electric energy storage equipment and electric energy storage 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 heat and power generating equipment system, or electric energy storage equipment and electric energy storage 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 heat and power generating equipment system, or electric energy storage equipment and electric energy storage 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 heat and power generating equipment and systems and electric energy storage equipment and electric energy storage system described in paragraphs (a), (b), (e), (f), (g), (h), (i), (j), (k), (l), (m) and (n) 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 heat and power generating equipment system, or electric energy storage equipment and electric energy storage 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 twenty-five, and (b) micro-hydroelectric energy systems, fuel cell electric generating systems, micro-combined heat and power generating equipment systems, or electric energy storage equipment or electric energy storage system which are constructed subsequent

to January first, two thousand eighteen and prior to January first, two thousand twenty-five.

6. Such exemption shall be granted only upon application by the owner of the real property on a form prescribed and made available by the commissioner in cooperation with the authority. 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 on or before the taxable status date of such county, city, town or village. A copy of such application shall be filed with the authority.

7. If the assessor is satisfied that the applicant is entitled to an exemption pursuant to this section, he or she shall approve the application and enter the taxable assessed value of the parcel for which an exemption has been granted pursuant to this section on the assessment roll with the taxable property, with the amount of the exemption as computed pursuant to subdivision two of this section in a separate column. In the event that 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.

8. (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 heat and power generating equipment system, or electric energy storage equipment or electric energy storage 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.

(b) Construction of a solar or wind energy system or a farm waste energy system shall be deemed to have begun upon the full execution of a contract or interconnection agreement with a utility; provided however, that if such contract or interconnection agreement requires a deposit to be made, then construction shall be deemed to have begun when the contract or interconnection agreement is fully executed and the deposit is made. The owner or developer of such a system shall provide written notification to the appropriate local jurisdiction or jurisdictions upon execution of the contract or the interconnection agreement.

9. (a) A county, city, town, village or school district, except a school district under article fifty-two of the education law, that has not acted to remove the exemption under this section may require the owner of a property which includes a solar or wind energy system which meets the requirements of subdivision four of this section, to enter into a contract for payments in lieu of taxes. Such contract may require annual payments in an amount not to exceed the amounts which would otherwise be payable but for the exemption under this section. If the owner or developer of such a system provides written notification to a taxing jurisdiction of its intent to construct such a system, then in order to require the owner or developer of such system to enter into a contract for payments in lieu of taxes, such taxing jurisdiction must notify such owner or developer of its intent to require a contract for payments in lieu of taxes within sixty days of receiving the written notification.

(b) The payment in lieu of a tax agreement shall not operate for a period of more than fifteen years, commencing in each

## § 487. Exemption from taxation for certain energy systems, NY RP TAX § 487

---

instance from the date on which the benefits of such exemption first become available and effective.

### Credits

(Added L.1977, c. 322, § 2. Amended L.1977, c. 618, §§ 1, 2; L.1979, c. 220, § 2; L.1990, c. 121, §§ 1 to 5; L.1992, c. 316, § 8; L.1993, c. 440, § 11; L.1996, c. 263, § 1; L.2002, c. 515, § 3, eff. Sept. 17, 2002; L.2002, c. 608, § 1, eff. Oct. 2, 2002; L.2006, c. 129, § 1, eff. July 5, 2006, deemed eff. Jan. 1, 2006; L.2010, c. 56, pt. W, § 1, subd. (b), eff. June 22, 2010; L.2010, c. 366, § 1, eff. Aug. 13, 2010; L.2013, c. 272, § 2, eff. July 31, 2013; L.2014, c. 344, §§ 1 to 3, eff. Sept. 4, 2014; L.2016, c. 57, pt. P, § 3, eff. April 13, 2016; L.2017, c. 336, §§ 1 to 4, eff. Jan. 1, 2018.)

### Notes of Decisions (6)

McKinney's R. P. T. L. § 487, NY RP TAX § 487  
Current through L.2018, chapters 1 to 263.

---

End of Document

© 2018 Thomson Reuters. No claim to original U.S. Government Works.