

ASSEMBLY, No. 1882

STATE OF NEW JERSEY

212th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2006 SESSION

Sponsored by:

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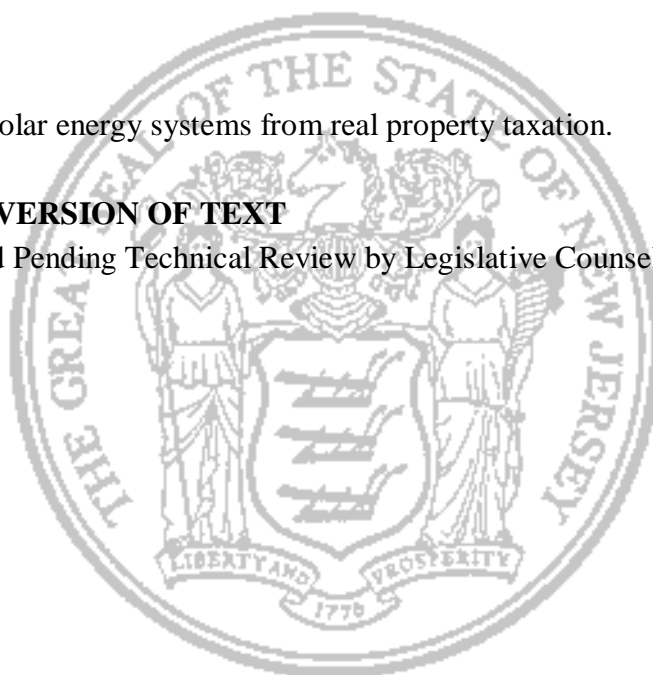
Assemblymen Biondi, Manzo and Gordon

SYNOPSIS

Exempts solar energy systems from real property taxation.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



(Sponsorship Updated As Of: 2/7/2006)

1 AN ACT concerning taxation of solar energy systems,
2 supplementing chapter 4 of Title 54 of the Revised Statutes, and
3 repealing P.L.1977, c.256.
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. As used in this act:

9 "Board of appeals" means the county construction board of
10 appeals established under section 9 of P.L.1975, c.217 (C.52:27D-
11 119 et seq.);

12 "Commissioner" means the Commissioner of Community
13 Affairs;

14 "Local enforcing agency" means the enforcing agency in any
15 municipality provided for under the "State Uniform Construction
16 Code Act," P.L.1975, c.217 (C.52:27D-119 et seq.) and regulations
17 adopted pursuant thereto;

18 "Solar energy" means energy which has recently originated in the
19 sun, including direct and indirect solar radiation and intermediate
20 solar energy from wind and sea thermal gradients; and

21 "Solar energy system" means any system which uses solar
22 energy to provide all or a portion of the heating, cooling, or general
23 energy needs of a building including, but not necessarily limited to,
24 such means as nocturnal heat radiation, evaporation cooling towers,
25 flat plate or focusing solar collectors, photovoltaic solar cells or
26 windmills.
27

28 2. A solar energy system which has been certified by the local
29 enforcing agency as a solar energy system shall be exempt from
30 taxation under chapter 4 of Title 54 of the Revised Statutes. The
31 owner of real property which is equipped with a certified solar
32 energy system may have exempted annually from the assessed
33 valuation of the real property a sum equal to the remainder of the
34 assessed valuation of the real property with the solar energy system
35 included, minus the assessed valuation of the real property without
36 the solar energy system included.
37

38 3. No certification shall be made by the local enforcing agency
39 as provided herein, except upon written application therefore, which
40 application shall be made under oath on a form prescribed by the
41 Director of the Division of Taxation in the Department of the
42 Treasury and provided for the use of claimants by the local
43 enforcing agency. The local enforcing agency may at any time
44 inquire into the right of a claimant to the exemption and for that
45 purpose the local enforcing agency may require the filing of a new
46 application or the submission of such proof as the local enforcing
47 agency shall deem necessary to determine the right of the claimant
48 to the continuance of the exemption. The local enforcing agency

1 shall have the right to make an inspection of the premises which are
2 the subject of the claim for exemption under this act.

3
4 4. The local enforcing agency, when requested for a certification
5 pursuant to this act, shall certify a system as being a solar energy
6 system whenever the local enforcing agency finds the equipment,
7 facility, device, or system installed was designed primarily as a
8 solar energy system, in accordance with rules and regulations
9 adopted by the commissioner pursuant to section 7 of this act. The
10 certificate shall contain information identifying the system and the
11 cost thereof and shall be in such form and detail as the Director of
12 the Division of Taxation in the Department of the Treasury shall
13 prescribe. The certificate shall be provided to the applicant
14 therefor, with a copy retained on file by the local enforcing agency,
15 and a copy of the certificate shall be sent to the assessor of the
16 taxing district in which the solar energy system is located and has
17 been installed. The exemption from taxation for the solar energy
18 system shall become effective for the tax year following the year in
19 which certification has been granted and thereafter during its use
20 primarily for such purposes.

21
22 5. The local enforcing agency, after giving notice to the holder
23 of a solar energy certificate, may revoke a certificate whenever any
24 of the following appears:

- 25 a. the certificate was obtained by fraud or misrepresentation;
26 b. the claimant for tax exemption has failed substantially to
27 proceed with the construction, reconstruction, installation or
28 acquisition of a solar energy system;
29 c. the structure or equipment or both to which the certificate
30 relates has ceased to be used for the primary purpose of providing
31 solar energy and is being used for a different primary purpose; or
32 d. the claimant for the tax exemption has so departed from the
33 equipment, design and construction previously certified by the local
34 enforcing agency that, in the opinion of the local enforcing agency,
35 the solar energy system is not suitable and reasonably adequate for
36 the purpose of providing solar energy.

37
38 6. a. Any person aggrieved by any action of the local enforcing
39 agency may seek review before the board of appeals.

40 b. Any person aggrieved by any action of the assessor or of the
41 county tax board may seek a review before the Director of the
42 Division of Taxation in the Department of the Treasury pursuant to
43 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
44 seq.).

45
46 7. a. The Director of the Division of Taxation in the Department
47 of the Treasury, pursuant to the "Administrative Procedure Act,"
48 P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt any rules and

1 regulations necessary for the proper certification of any tax
2 exemption pursuant to this act, the form of any certificate to be
3 issued and any other matter related to the exemption.

4 b. The Department of Community Affairs, in consultation with
5 the Board of Public Utilities, shall adopt, pursuant to the
6 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
7 seq.), standards with respect to the technical sufficiency of solar
8 energy systems for purposes of qualification for exemption.

9
10 8. P.L.1977, c.256 (C.54:4-3.113 et seq.) is hereby repealed.

11
12 9. This act shall take effect immediately.

13
14

15 STATEMENT

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17 This bill would establish a property tax exemption for the
18 installation of a solar energy system. The bill defines "solar energy
19 system" as any system which uses solar energy to provide all or a
20 portion of the heating, cooling, or general energy needs of a
21 building through, but not limited to, such means as nocturnal heat
22 radiation, evaporation cooling towers, flat plate or focusing solar
23 collectors, photovoltaic solar cells or windmills.

24 Under the bill, a solar energy system installed in any building,
25 whether residential, commercial or industrial, which has been
26 certified by the local enforcing agency as a solar energy system,
27 would be exempt from taxation under chapter 4 of Title 54 of the
28 Revised Statutes. The owner of real property which is equipped
29 with a certified solar energy system may have exempted annually
30 from the assessed valuation of the real property a sum equal to the
31 remainder of the assessed valuation of the real property with the
32 solar energy system included, minus the assessed valuation of the
33 real property without the solar energy system included.

34 P.L.1977, c.256 (C.54:4-3.113 to 54:4-3.120) previously
35 provided such an exemption. However, that exemption expired on
36 December 31, 1987. This bill would repeal these expired provisions
37 of law.

38 This bill would require the Department of Community Affairs, in
39 consultation with the Board of Public Utilities, to adopt standards
40 with respect to the technical sufficiency of solar energy systems for
41 purposes of qualification for the exemption.