

# SENATE, No. 607

## STATE OF NEW JERSEY 218th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

**Sponsored by:**

**Senator BOB SMITH**

**District 17 (Middlesex and Somerset)**

**Senator LINDA R. GREENSTEIN**

**District 14 (Mercer and Middlesex)**

**SYNOPSIS**

Exempts solar energy systems from building fees.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 6/12/2018)

1 AN ACT exempting certain solar energy systems from fees and  
2 amending P.L.1985, c.85.

3

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

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7 1. Section 1 of P.L.1985, c.85 (C.52:27D-130.2) is amended to  
8 read as follows:

9 1. No person shall be required to pay a **[municipal]** fee or  
10 charge in order to secure a construction permit or receive plan  
11 review for the installation or alteration of a solar energy **[heating or**  
12 **cooling]** system in any building or part thereof. As used in this  
13 **[act]** section, "solar energy **[heating and cooling]** system" means a  
14 solar energy system which is certified as eligible for an exemption  
15 from property taxation as a renewable energy system by **[the**  
16 Department of Community Affairs] an enforcing agency pursuant  
17 to **[P.L.1977, c.256 (C.54:4-3.113 et seq.)]** P.L.2008, c.90 (C.54:4-  
18 3.113a et seq.).

19 (cf: P.L.1985, c.85, s.1)

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21 2. Section 2 of P.L.1985, c.85 (C.52:27D-130.3) is amended to  
22 read as follows:

23 2. The installation or alteration of a solar energy **[heating or**  
24 **cooling]** system in any building shall not be subject to any fee,  
25 including any surcharge or training fee, imposed by any department  
26 or agency of State government pursuant to any law, or rule or  
27 regulation. As used in this section, "solar energy system" means a  
28 solar energy system which is certified as eligible for an exemption  
29 from property taxation as a renewable energy system by a local  
30 enforcing agency pursuant to P.L.2008, c.90 (C.54:4-3.113a et  
31 seq.).

32 (cf: P.L.1985, c.85, s.2)

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34 3. This act shall take effect immediately.

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#### STATEMENT

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39 This bill would exempt the installation or alteration of certain  
40 solar energy systems from the payment of building fees and  
41 charges. The bill would, essentially, reactivate a 1985 statute to  
42 reinstate an expired fee exemption provision. Then and now, by  
43 reducing the soft costs associated with the installation of solar  
44 energy systems, this law will make these systems more affordable,

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 encourage more New Jerseyans to install solar energy systems, and  
2 help reduce our State's reliance on fossil fuels.

3 The Legislature first exempted the installation of solar energy  
4 systems from the payment of construction fees in 1985. However,  
5 the 1985 law, P.L.1985, c.85 (C.52:27D-130.2 et seq.), provides  
6 that only solar energy heating or cooling systems certified as  
7 eligible for exemption from property taxation by the Department of  
8 Community Affairs pursuant to P.L.1977, c.256 (C.54:4-3.113 et  
9 seq.) are exempt from the construction permit and associated fees.

10 The property tax exemption statute referenced in the 1985 law,  
11 N.J.S.A. 54:4-3.113 et seq., was of limited duration. It provided a  
12 property tax exemption for solar equipment from 1977 through  
13 1987. In 2008, New Jersey again enacted legislation exempting  
14 solar energy systems from real property taxation.

15 The current property tax exemption law, N.J.S.A. 54:4-3.113a et  
16 seq., applies to certain renewable energy systems. Current law  
17 defines: "renewable energy system" as "any equipment that is part  
18 of, or added to, a residential, commercial, industrial, or mixed use  
19 building as an accessory use, and that produces renewable energy  
20 onsite to provide all or a portion of the electrical, heating, cooling,  
21 or general energy needs of that building." The definition of the  
22 term "renewable energy" includes "(1) electric energy produced  
23 from solar technologies, photovoltaic technologies, . . . and (2)  
24 energy produced from solar thermal . . . technologies."

25 Although current New Jersey law exempts certain solar energy  
26 systems from property taxation, the statutory exemption from  
27 construction code fees is inactive because it cross-references an  
28 expired provision of law. By deleting the outdated reference, and  
29 replacing it with a reference to the current property tax exemption  
30 statute, enactment of this bill will reactivate New Jersey's building  
31 fee exemption for the installation of solar energy systems.