

P.L. 2008, CHAPTER 90, *approved October 1, 2008*

Senate Committee Substitute for  
Senate, Nos. 241, 394, 1098 (SCS) and 710

1 **AN ACT** exempting certain renewable energy systems from real  
2 property taxation and supplementing chapter 4 of Title 54 of the  
3 Revised Statutes.

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

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8 1. As used in this act:

9 “Board of appeals” means the construction board of appeals  
10 established under section 9 of P.L.1975, c.217 (C.52:27D-127), having  
11 jurisdiction in the municipality in which the property is located.

12 “Commissioner” means the Commissioner of Community Affairs.

13 “Director” means the Director of the Division of Taxation in the  
14 Department of the Treasury.

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

19 “Renewable energy” means: (1) electric energy produced from  
20 solar technologies, photovoltaic technologies, wind energy, fuel cells,  
21 geothermal technologies, wave or tidal action, methane gas from  
22 landfills, a resource recovery facility, a hydropower facility or a  
23 biomass facility, provided that the biomass is cultivated and harvested  
24 in a sustainable manner, and provided further that the Commissioner  
25 of Environmental Protection has determined that the resource recovery  
26 facility, hydropower facility or biomass facility, as appropriate, meets  
27 the highest environmental standards and minimizes any impacts to the  
28 environment and local communities; and (2) energy produced from  
29 solar thermal or geothermal technologies.

30 “Renewable energy system” means any equipment that is part of, or  
31 added to, a residential, commercial, industrial, or mixed use building  
32 as an accessory use, and that produces renewable energy onsite to  
33 provide all or a portion of the electrical, heating, cooling, or general  
34 energy needs of that building.

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36 2. Property that has been certified by a local enforcing agency as  
37 a renewable energy system shall be exempt from taxation under  
38 chapter 4 of Title 54 of the Revised Statutes. The owner of real  
39 property which is equipped with a certified renewable energy system  
40 may have exempted annually from the assessed valuation of the real  
41 property a sum equal to the assessed valuation of the real property with

1 the renewable energy system included, minus the assessed valuation of  
2 the real property without the renewable energy system included.

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4 3. No certification shall be made by the local enforcing agency as  
5 provided in this act, except upon written application therefor, which  
6 application shall be made under oath on a form prescribed by the  
7 director, and provided for the use of claimants by the local enforcing  
8 agency. The local enforcing agency may at any time inquire into the  
9 right of a claimant to the exemption, and for that purpose the local  
10 enforcing agency may require the filing of a new application or the  
11 submission of such proof as the local enforcing agency shall deem  
12 necessary to determine the right of the claimant to the continuance of  
13 the exemption. The local enforcing agency shall have the right to  
14 make an inspection of the premises which are the subject of the claim  
15 for exemption under this act.

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17 4. The local enforcing agency, when requested for a certification  
18 pursuant to this act, shall certify a system as being a renewable energy  
19 system whenever the local enforcing agency finds that the system  
20 installed was designed primarily as a renewable energy system in  
21 accordance with rules and regulations adopted by the commissioner  
22 pursuant to subsection b. of section 7 of this act. The certificate shall  
23 contain information identifying the renewable energy system and the  
24 cost thereof and shall be in such form and detail as the director shall  
25 prescribe. The certificate shall be provided to the applicant therefor,  
26 with a copy retained on file by the local enforcing agency, and a copy  
27 of the certificate shall be sent to the assessor of the taxing district in  
28 which the property containing the renewable energy system is located  
29 and has been installed. The exemption from taxation for the renewable  
30 energy system shall become effective for the tax year following the  
31 year in which certification has been granted and thereafter during its  
32 use primarily for such purposes.

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34 5. The local enforcing agency, after giving notice to the holder of  
35 a renewable energy system certificate, may revoke a certificate  
36 whenever any of the following appears or occurs:

- 37 a. the certificate was obtained by fraud or misrepresentation;  
38 b. the claimant for tax exemption has failed substantially to  
39 proceed with the construction, reconstruction, installation or  
40 acquisition of a renewable energy system;  
41 c. the structure or equipment or both to which the certificate  
42 relates has ceased to be used for the primary purpose of providing  
43 renewable energy to provide all or a portion of the electrical, heating,  
44 cooling, or general energy needs of the structure and is being used for  
45 a different primary purpose; or  
46 d. the claimant for the tax exemption has so departed from the  
47 equipment, design and construction previously certified by the local

1 enforcing agency that, in the opinion of the local enforcing agency, the  
2 renewable energy system is not suitable and reasonably adequate for  
3 the purpose of using renewable energy to provide all or a portion of  
4 the electrical, heating, cooling, or general energy needs of the  
5 structure.

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

9 b. Any person aggrieved by any action of the assessor or of the  
10 county tax board may seek a review of such action in the State Tax  
11 Court by filing a complaint in the Tax Court, pursuant to rules of  
12 court.

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14 7. a. The director, pursuant to the “Administrative Procedure  
15 Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt any rules and  
16 regulations necessary for the proper certification of any tax exemption  
17 pursuant to this act, the form of any certificate to be issued, and any  
18 other matter related to the exemption.

19 b. The commissioner, in consultation with the Board of Public  
20 Utilities, shall adopt, pursuant to the “Administrative Procedure Act,”  
21 P.L.1968, c.410 (C.52:14B-1 et seq.), standards with respect to the  
22 technical sufficiency of renewable energy systems for the purposes of  
23 qualification for exemption.

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25 8. This act shall take effect immediately.

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30 Exempts certain renewable energy systems from real property  
31 taxation.