New Jersey Division of Taxation



Assessing Renewable Energy Systems

Presentation

- Renewable energy systems on Commercial & Residential Properties (Chap 90).
- Renewable energy systems on farms. (Chap 213)
- Solar panels on vacant land. (Real or Personal prop)
- Open Discussion / Questions

 Renewable Energy Systems is defined as "any equipment that is part of, or added to, a residential, commercial, industrial, or mixed use building as an accessory use, and that produces renewable energy onsite to provide all or a portion of the electrical, heating, cooling, or general energy needs of that building..."

Renewable energy systems on commercial Properties

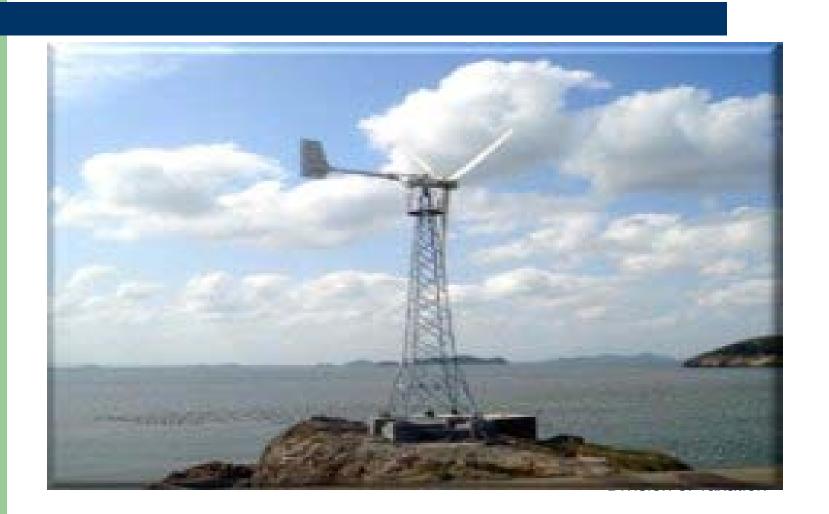
Solar panels on golf cart storage shed



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Renewable energy systems on residential properties

Windmill on residential property



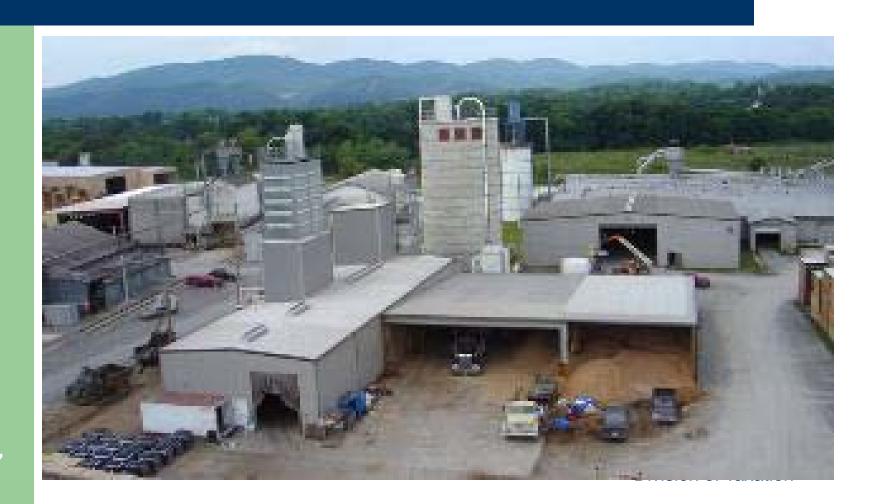
Renewable energy systems on residential properties

Solar panel on residential property



Renewable energy systems on Commercial Property

A biomass powered manufacturing plant



Renewable energy systems

Non-electric solar thermal on residential property



Renewable energy systems

Non-electric solar thermal on residential property



Chapter 90 includes:

- Solar energy, Wind energy, & Biomass*
- Fuel cells, Geothermal, Methane gas from landfills, Wave & Tidal action, Hydropower facility, Non-electrical solar thermal
- *EPA "meets highest environmental standards & minimizes any impacts"

Renewable energy systems

Application for residential and commercial properties

- Application for Certification of Renewable Energy Systems CRES (6-4-09)
- Must be signed by the Property owner, Installer, Construction Official and the Assessor.
- Exemption effective for the tax year following the year in which the certification is granted.

CRES (6-1-09)

APPLICATION FOR CERTIFICATION OF RENEWABLE ENERGY SYSTEM(S) Pursuant to P.L. 2008, c.90

County:	Municipality		
Section 1			
Owners Name:	Email Addres	Email Address	
Property Address:	Phone #	Fax #	
BlockLot			
Section 2			
Installer's Name:	Email Address		
Property Address:	Phone #	Fax #	

Date:	
	Property owner
Date:	
o the Tax Assessor: hereby certify this application has been: Approved Disapproved	Installer, or authorized representative
Date:	Construction Official
have reviewed the application/certification and ad	ccept / Treject this claim for exemption.

- Chapter 90 states:
 - 1. System use as an "Accessory Use"
 - "Provide all or a portion of the electrical, heating, cooling, or general energy needs of that building"

Chapter 90 allows:

- Revocation of certificate.
 - 1. Obtained by fraud or misrepresentation.
 - 2. Has failed substantially to proceed with construction.
 - 3. Ceases to be used for primary purpose.
 - 4. Change of equipment or design previously certified by the local enforcing agent.

Chapter 90 allows:

- "Any person aggrieved by any action of the assessor" may file an appeal.
- "Any person aggrieved by any action of the local enforcing agency" may seek review before the board of appeals.

- The additional value of the improvement will be placed in the exemption field.
- Limited Exemption code is the code letter "Y"
- Public Law 2008, Chapter 90 is.....
 www.njleg.state.nj.us/2008/Bills/PL08/90_.PDF
- The application is posted on our portal.

Recap on chapter 90:

- CRES form application.
- "Accessory use"
- Provides all or a portion of energy.
- Certification can be revoked.
- Appeal process available.
- Exemption Code "Y"



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- Includes Solar energy, Wind energy, & Biomass systems.
- "Biomass" means an agricultural crop, crop residue, or agricultural byproduct that is cultivated, harvested, or produced on the farm or directly obtained from a farm where it was cultivated, harvested, or produced, and which can be used to generate energy in a sustainable manner.

- Owner files conservation plan w/ the soil conservation district.
- Operated on Agri/Horticultural land that was in the <u>preceding</u> year & is <u>currently</u> part of an operating farm.
- The power or heat generated is to be used to heat or power the farm.

- The ratio of acreage devoted to energy generation (structure and equipment) vs. agricultural/horticultural operation does not exceed 1 to 5 acres.
- Structure & equipment to be installed on NO MORE than 10 acres of eligible farmland and no than 2 megawatts of power.

- No income from the sale of power or heat may be considered income towards gross sales criteria.
- If solar power, the property under the panels is to be used for shade crops or grazing pasture, where practical.

- Installation or operation of any energy generation system in the pinelands are subject to the Pinelands Protection Act.
- If energy generation is Biomass, The owner needs to obtain approvals from Agricultural Department.









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Areas to explore:

What can be assessed? (3 prong injury test)

Land leases

- A. (1). The personal property so affixed can be removed or severed without material <u>injury to the real property</u>.
 - (2). The personal property so affixed can be removed or severed without material <u>injury to the personal</u> <u>property itself</u>; and
 - (3). The personal property so affixed <u>is not ordinarily</u> intended to be affixed permanently to real property; or

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Areas to explore:

What can be assessed?

Land leases – read them carefully.

Open Discussion / Questions

Questions

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For Access to MyNewJersey Portal:

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