

SENATE, No. 231

STATE OF NEW JERSEY
221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

SYNOPSIS

Exempts solar energy systems from building fees.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



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:

6

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)

20

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)

33

34 3. This act shall take effect immediately.

35

36

37

STATEMENT

38

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) energy
24 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.