

Onondaga County Industrial Development Agency **SOLAR PILOTS**



What is the New York State RPTL 487?

- ▶ New York State's Real Property Tax Law (RPTL) 487 provides a 15-year, real property tax exemption to a property that contains solar energy or other renewable energy systems that are approved by New York State Research and Development Authority (NYSERDA).
- ▶ The law applies to the value which the solar or renewable energy system will add to the overall property value. It is **not** an exemption from all property tax for the property with the renewable energy system.

New York State Real Property Tax Law 487

- ▶ The New York State RPTL 487 15-year exemption is applied to all municipalities by default in New York State.
- ▶ This means that the exemption is automatically in effect **unless your municipality decides to opt out.**

What does it mean to “opt out” of RPTL 487?

- ▶ A government entity must take a specific action by passing a local law, ordinance or resolution to “opt out” of the RPTL 487 tax exemption.
- ▶ If your local municipalities decides to “opt out” a copy of the legal action taken (law, ordinance or resolution) must be filed with BOTH the NYS Department of Taxation and Finance and the New York State Energy and Research Development Authority (NYSERDA).
- ▶ **If you opt-out, you can always opt back in by repealing the local law.**

What are the payment-in-lieu-of-taxes (PILOT) options for opting-in?

▶ OPT-IN:

- ❖ The RPTL 487 law allows a municipality to enter into a PILOT with a solar company.
- ❖ If a municipality wants to enter into a PILOT, they must act within 60 days from the receipt of the solar company's written notification to construct a solar facility or the option for the PILOT expires.
- ❖ A PILOT can help to maintain some of the lost revenue that would have been paid in property taxes.
- ❖ By law, the annual payments **cannot** exceed the value of what the taxes would have been without the exemption.
- ❖ PILOT will reflect the 15-year exemption required by the law.
- ❖ Calculations of value are based on the dollars per megawatt.

Payment-in-lieu-of-taxes (PILOT) for opt-in and opt-out?

▶ OPT-OUT:

- ❖ When a municipality chooses to opt-out, the entity can enter into a PILOT agreement with a solar company.

▶ OPT-IN or OPT-OUT

- ❖ The municipality can also go through the Onondaga County Industrial Development Agency (OCIDA) for a PILOT agreement.

OCIDA SOLAR PILOT

- ▶ Article 18-A Section 895 of NYS General Municipal Law
- ▶ Uniform Tax Exemption Policy (UTEP): outlines OCIDA's Energy Project PILOT benefits: real property, mortgage recording tax, and sales and use tax exemptions
- ▶ OCIDA PILOT Structure:
 - ❖ 25-30 year tax exemption versus 15-year
 - ❖ Formula expressed as a dollar value per AC megawatt multiplied by the megawatt generated (AC MW generated) x (Dollar Value per MW) = PILOT payment for a given year.
 - ❖ **OCIDA manages all administrative tasks for the PILOT.**
 - ❖ Solar Guidelines and Best Practices

Taft Solar, LLC

DRAFT

4/12/2021

A) PILOTS Estimate Table Worksheet

Current Revenue Generated by Parcel	\$	2,275
Expected Revenue from the Parcel if no project occurred	\$	56,386
Projected Year 1 Revenue to be generated as a result of the project:		\$12,950
Scheduled PILOT Payments	\$	314,651
Total Project Cost	\$	5,215,600
OCIDA Estimate of Project Value	\$	1,253,900
Projected MW to be generated		3.7

Year	Onondaga County	Manlius	East Syracuse-Minoa School District	Total PILOT	Full Tax Payment without PILOT	Net Exemption
	14.6%	13.6%	71.7%	100.0%		
2020-2021	\$ 333	\$ 309.94	\$ 1,632.29	\$ 2,275		
1	\$ 1,895	\$ 1,764	\$ 9,291	\$ 12,950	\$ 8,745	\$ (4,205)
2	\$ 1,933	\$ 1,799	\$ 9,477	\$ 13,209	\$ 8,920	\$ (4,289)
3	\$ 1,972	\$ 1,835	\$ 9,666	\$ 13,473	\$ 9,098	\$ (4,375)
4	\$ 2,011	\$ 1,872	\$ 9,859	\$ 13,743	\$ 9,280	\$ (4,463)
5	\$ 2,051	\$ 1,910	\$ 10,057	\$ 14,017	\$ 9,466	\$ (4,552)
6	\$ 2,092	\$ 1,948	\$ 10,258	\$ 14,298	\$ 9,655	\$ (4,643)
7	\$ 2,134	\$ 1,987	\$ 10,463	\$ 14,584	\$ 9,848	\$ (4,736)
8	\$ 2,177	\$ 2,026	\$ 10,672	\$ 14,875	\$ 10,045	\$ (4,831)
9	\$ 2,220	\$ 2,067	\$ 10,886	\$ 15,173	\$ 10,246	\$ (4,927)
10	\$ 2,265	\$ 2,108	\$ 11,103	\$ 15,476	\$ 10,451	\$ (5,026)
11	\$ 2,310	\$ 2,150	\$ 11,325	\$ 15,786	\$ 10,660	\$ (5,126)
12	\$ 2,356	\$ 2,193	\$ 11,552	\$ 16,102	\$ 10,873	\$ (5,229)
13	\$ 2,403	\$ 2,237	\$ 11,783	\$ 16,424	\$ 11,090	\$ (5,333)
14	\$ 2,451	\$ 2,282	\$ 12,019	\$ 16,752	\$ 11,312	\$ (5,440)
15	\$ 2,501	\$ 2,328	\$ 12,259	\$ 17,087	\$ 11,538	\$ (5,549)
16	\$ 2,551	\$ 2,374	\$ 12,504	\$ 17,429	\$ 66,591	\$ 49,162
17	\$ 2,602	\$ 2,422	\$ 12,754	\$ 17,778	\$ 67,923	\$ 50,145
18	\$ 2,654	\$ 2,470	\$ 13,009	\$ 18,133	\$ 69,281	\$ 51,148
19	\$ 2,707	\$ 2,520	\$ 13,270	\$ 18,496	\$ 70,667	\$ 52,171
20	\$ 2,761	\$ 2,570	\$ 13,535	\$ 18,866	\$ 72,080	\$ 53,214
	\$ 46,045	\$ 42,864	\$ 225,742	\$ 314,651	\$ 497,767	\$ 183,116

New PILOT Payments to the Community		
Year	Current Revenue + 2% Escalator	Total PILOT Schedule
1	\$ 2,321	\$ 12,950
2	\$ 2,367	\$ 13,209
3	\$ 2,414	\$ 13,473
4	\$ 2,463	\$ 13,743
5	\$ 2,512	\$ 14,017
6	\$ 2,562	\$ 14,298
7	\$ 2,613	\$ 14,584
8	\$ 2,666	\$ 14,875
9	\$ 2,719	\$ 15,173
10	\$ 2,773	\$ 15,476
11	\$ 2,829	\$ 15,786
12	\$ 2,885	\$ 16,102
13	\$ 2,943	\$ 16,424
14	\$ 3,002	\$ 16,752
15	\$ 3,062	\$ 17,087
	\$ 40,132	\$ 223,950

OCIDA Contact information

- ▶ Robert Petrovich, Executive Director RobertPetrovich@ongov.net
- ▶ Nathaniel Stevens, OCIDA Treasurer Natestevens@ongov.net
- ▶ Nancy Lowery, OCIDA Secretary Nancylowery@ongov.net
- ▶ Our website: www.ongoved.com
- ▶ New York State Solar Guidebook:
<https://www.nyserda.ny.gov/All%20Programs/Programs/Clean%20Energy%20Siting/Solar%20Guidebook>