

# TOWN OF SHARON

Sandra Manko, Supervisor  
PO Box 204  
Sharon Springs, NY 13459  
Office: 518-284-3010



Barbara Cousineau, Town Clerk/Collector  
156 France Street  
Sharon Springs, NY 13459  
Office: 518-284-3010

## **RESOLUTION # 13 AGREEMENT FOR PAYMENT IN LIEU OF TAXES (PILOT) FOR COMMERCIAL SOLAR INSTALLATIONS**

WHEREAS, the taxing entities regarding commercial solar installations include the Town of Sharon, Sharon Springs Central School District, and the County of Schoharie.

WHEREAS, Real Property Tax Law Section 487(9) states that Solar is exempt for 15 years.

WHEREAS, the Town of Sharon, Sharon Springs Central School District and the County of Schoharie do not expect commercial solar farms to be exempt from taxes.

WHEREAS, upon approval of this Resolution, it is understood a PILOT (Payment In Lieu of Taxes) will be put into place for commercial solar installations and no action is needed as far as "opting out" of the automatic tax exemption by any of the taxing districts. Each taxing entity will leave the state-adopted exemption in place as-is.

WHEREAS, for the purpose of this Resolution, the Town of Sharon will be the lead agency in putting a Solar PILOT agreement in place although each taxing district will have input into the PILOT agreement but will accept the Town's final decision.

WHEREAS, all commercial solar panel arrays will be subject to a PILOT agreement to be put into place by the Town, and the PILOT proceeds will be shared by each taxing district on a pro-rated amount based upon their percentage of tax payments prior to the solar installation (ex: 50% school, 30% county, 20% town)

WHEREAS, all residential and agricultural solar installations would remain as tax exempt for the 15 year period unless the law changes regarding tax exempt status. This Resolution only applies to commercial installations.

WHEREAS, under Section 487(9) of the Real Property Tax Law, the PILOT agreement must not exceed the amount of taxes that the entity would have paid on the new array if there were no tax exemption. (For example, if a \$100,000 solar farm is built on a \$5,000 plot of land, the PILOT cannot exceed what the property taxes would have been on a \$105,000 assessed value.)

WHEREAS, it is understood the PILOT will be for 15 years. The first year, the commercial solar installation PILOT payment will be 50% of what the tax liability would have been if there was no exemption. (Example: If the total combined annual tax bills on a \$105,000 parcel are \$5,000, then the PILOT payment for year # 1 will be \$2,500. The revenue will be divided among the taxing districts as described above i.e. school 50%, 30% county, 20% town.) PILOT payments shall increase by 5% each year for years 2 through 15 (compounded). (In this case, at the end of the PILOT, the final PILOT payment in year 15 would be \$4,950.)

THEREFORE, BE IT RESOLVED, the Town Board of the Town of Sharon supports this agreement of cooperation.

Dated: November 4, 2015

Approved By: Sandra Manko      AYE

Brian Young      AYE

David Cross      AYE

Carl Ullman      AYE

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