



Association of Towns

of the State of New York

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S8012 Introduced by Senator Harckham
A8332 Introduced by Assemblymember Lasher

Memorandum in Opposition

The New York Association of Towns (NYAOT) opposes A8332/S8012, which amends the problematic – and currently unconstitutional – standardized assessment model for solar and wind energy systems to provide further financial relief to the multi-billion dollar renewable energy industry at the expense of local taxpayers, all while undermining the statutory authority of the local assessor. This proposal shifts the real property tax burden away from large scale solar and wind energy projects and onto the town residents that reside within a jurisdiction serviced by one of these projects.

At the outset, NYAOT would like to note that we support clean energy and the goals outlined in the Climate Leadership and Community Protection Act (hereinafter CLCPA), including the laudable goal of 70% renewable electricity in the state by 2030 (see Public Service Law section 66-p [2]). This goal can be worked towards without further eroding the local tax base and is, in fact, being implemented through the enactment of the Renewable Action through Project Interconnection and Deployment (RAPID) Act in the 2024-2025 state budget.

Specifically, this legislation modifies the currently unconstitutional standardized assessment model to require the Department of Taxation and Finance to consider host community benefit agreements and subscriber management costs when formulating the assessment model. If a developer is required to pay a host community benefit agreement, the large scale project is already in play and is counted towards the state's CLCPA goals – no further incentive is necessary. It is also important to

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note that host community benefits are paid directly to residential consumers by way of a reduction in their electric bill – the local government that the project is located within does not receive any financial compensation from this project, and yet this legislation seeks to further reduce the amount the developer has to pay to the locality. This forces the local government to shift the burden away from the multi-billion dollar industry projects and onto the other taxpayers that reside where the project lies.

Moreover, this legislation shields revenue-enhancing instruments, such as federal investment credits and renewable energy credits, from the developer's revenue stream, which significantly devalues the actual value of their energy assets which – to put it mildly – creates an unfair tax landscape that again, further shifts the burden onto the everyday taxpayer while the local governments serving these taxpayers are left to do more with less.

Additionally, this proposal impacts a local government's ability to negotiate payment in lieu of taxes (PILOT) agreements, as the value of PILOT agreements for solar and wind energy systems are limited to the amount of taxes the developer would pay if the project were not exempt from taxation, which is based solely on the assessed value.

In summary, this bill is not about meeting CLCPA targets. It is about channeling financial advantages to developers that have already secured project approvals at the expense of local governments and the taxpayers that they serve. NYAOT strongly urges the Legislature to reject this legislation and instead engage with local governments and assessors to develop a standardized assessment model that supports renewable energy development without sacrificing fairness, home rule, and fiscal integrity. Ultimately, the local governments and residents of New York are the ones that will suffer the deleterious impacts of this legislation, while the renewable energy industry continues to pad its pockets with the blessing of the state.