

NEWS FROM THE ULSTER COUNTY OFFICE OF THE COMPTROLLER

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Comptroller Solar PILOT Audit Finds Inconsistent PILOT Rates, Penalties and Interest Calculations

Kingston, NY (September 12, 2023) – Ulster County Comptroller March Gallagher released a Solar PILOT Audit – Review of Billing and Collections. Ulster County has seen a significant increase in the deployment of solar installations with 107 megawatts deployed since 2000. Utility scale facilities are required to submit a Notice of Intent to build and operate a solar energy system. As of the close of 2022 Ulster County had approved 12 solar Payment in Lieu of Taxes (PILOT) agreements. These agreements are anticipated to result in \$91,103 in real property tax revenue forgone for 2023.

This audit found that the rate charged per megawatt varied greatly from a low of \$608.85 per megawatt to a high of \$3,750 per megawatt depending on the project. Although these varying rates may have been a result of a New York State Energy and Research Development Authority calculator, no documentation was maintained by the Department of Finance to justify these rate variations. This allows discretion which could be used to favor certain taxpayers.

A second finding of the audit was that interest and penalties for late payments was not applied correctly or consistently. The 30-day grace period has been interpreted generously which encourages taxpayers to pay late and provides yet another opportunity for discretion to treat taxpayers inconsistently.

The audit recommends that the County adopt a standard PILOT rate per megawatt approach, maintain supporting documentation, and automate interest and penalty calculations.

The Department of Finance agrees with the findings and will be implementing said recommendations. That response can be found at the end of the audit.

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