



**Memorandum in Support
Lower Hudson Education Coalition (LHEC)**

Re: S.4066-A – The Affordable Clean Energy (ACE) Act

The Lower Hudson Education Coalition (LHEC) supports S.4066-A, particularly **Part C of the legislation**, which addresses how payments in lieu of taxes (PILOTs) from renewable energy projects are treated under New York’s property tax cap law. This provision represents a practical and important adjustment that will ensure school districts hosting renewable energy infrastructure are able to fully benefit from those projects while maintaining their fiscal stability.

Under current law, PILOT payments received by school districts are included in the tax cap calculation under Education Law §2023-a. As a result, when a district receives PILOT revenue from a renewable energy project—such as a solar farm or wind installation—the additional revenue can effectively reduce the district’s allowable tax levy in the following year. In practice, this means that the financial benefit of hosting a renewable energy facility may be partially or entirely offset by a corresponding reduction in levy authority. This structure creates an unintended disincentive for school districts and local governments that are considering hosting renewable energy projects within their communities.

Part C of S.4066-A corrects this issue by excluding PILOT payments from renewable energy generation projects from the tax cap calculation.

By doing so, the bill allows school districts to retain the full fiscal value of these agreements without reducing their local levy authority. The change ensures that PILOT revenue serves its intended purpose—providing a meaningful and stable financial benefit to host communities.

For school districts across New York, including many in the Lower Hudson region, renewable energy projects represent an opportunity to diversify local revenue sources while supporting the state’s broader clean energy goals. Large-scale solar and other renewable projects are increasingly being developed in communities across the state, often accompanied by long-term PILOT agreements that provide predictable revenue for school districts and municipalities. Ensuring that these revenues can be realized without negatively affecting tax cap calculations strengthens the ability of districts to plan responsibly for future budgets while maintaining educational services and managing local property tax pressures.

Importantly, this legislation also supports the state’s broader energy policy objectives. New York has set ambitious renewable energy targets under the Climate Leadership and Community Protection Act (CLCPA), which will require the continued development of renewable energy infrastructure across the state. Providing host communities with a clear financial benefit helps foster local support for these projects and ensures that school districts are not placed in the position of having to weigh potential fiscal disadvantages when considering project siting.

For these reasons, the Lower Hudson Education Coalition believes that excluding renewable energy PILOT revenue from the property tax cap calculation is a sensible and necessary policy adjustment. By allowing school districts to retain both their full levy authority and the revenue generated through PILOT agreements, S.4066-A removes an unintended barrier to renewable energy development while protecting the fiscal interests of school districts and the communities they serve.

The Lower Hudson Education Coalition respectfully urges the Legislature to support and pass S.4066-A.