



STATE OF NEW YORK
Authorities Budget Office

P O Box 2076
Albany, NY 12220-0076
WWW.ABO.NY.GOV

e-mail address:
info@abo.ny.gov

Local: 518-474-1932
Toll Free: 1-800-560-1770

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Contact: Ann Maloney
Acting Director
info@abo.ny.gov

**The Authorities Budget Office Issues Report on Industrial Development Agencies'
Clean Energy Projects**

The Authorities Budget Office (ABO) released its report today on clean energy projects that were provided financial assistance by Industrial Development Agencies (IDAs). The review was conducted to understand the types and amounts of financial assistance provided by IDAs to clean energy projects, and any respective benefits provided by the projects. The ABO selected 10 solar projects and one wind project from the 98 clean energy projects reported in the Public Authorities Reporting Information System (PARIS) for 2020. The selected projects were from 11 IDAs.

The review found that IDAs are not identifying exemption amounts provided in project agreements, therefore the ABO was unable to identify the amount of financial assistance provided to these projects. Of the 11 projects reviewed, only one project included the financial assistance amounts for each type of exemption provided by the IDA. This level of non-compliance brings question to the adequacy of IDA board oversight. Board members have a fiduciary obligation to perform their duties with proper diligence and care, consistent with the IDA's statutory duties and the laws of New York State. In addition, without the amount of financial assistance included in project agreements, the public is not able to clearly identify the actual costs of clean energy projects the IDAs are approving.

The review also found that although there is minimal job creation, clean energy projects indicate providing other benefits, such as achieving New York State's 2030 clean energy goal and providing local governments, residents, and businesses with discounts on electric bills.

In addition, the review found that since IDAs are not statutorily bound to the provisions of Section 487 of Real Property Tax Law (RPTL 487), eight of the eleven projects were provided property tax exemption and PILOT terms between 20 and 30 years. RPTL 487 provides real property tax exemptions on the increase in property value due to the inclusion of solar and wind energy systems for a maximum of 15 years. Local taxing jurisdictions can negotiate PILOTs for the 15-year period, or they can opt out of the property tax exemptions for solar and wind energy systems. We also found five of the reviewed projects were located in municipalities that had taxing jurisdictions that opted out of RPTL 487.

The ABO also continued to find IDAs are not ensuring that project documents are posted on IDA websites in accordance with ABO regulations (19 NYCRR 250.1). None of the 11 IDAs had all of the required project documents posted to their websites for the projects reviewed.

A copy of the full report is available at www.abo.ny.gov.

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