

# TOWN OF PLYMPTON

## SOLAR PILOT GUIDELINES

The following Guidelines have been promulgated by the Board of Assessors for the Town of Plympton to assist in the drafting of Payment In Lieu of Tax (“PILOT”) Agreements relative to the development of photovoltaic generating facilities and battery storage, and ancillary equipment (hereinafter collectively the “Solar Facilities”) in the Town of Plympton (hereinafter “the Town”). These Guidelines incorporate changes made to Massachusetts General Laws Chapter 59, Section 5, Clause 45th by Chapter 8 of the Acts of 2021.

1. The Town recognizes that since both the Town and Developers of Solar Facilities need an accurate projection of their respective expenses and revenues with respect to personal property that is taxable under the laws of the Commonwealth, the Town will negotiate and execute, where appropriate, Payment in Lieu of Tax (“PILOT”) Agreements relative to Solar Facilities (hereinafter “Solar PILOT Agreements”).
2. Solar PILOT Agreements shall only be applicable to personal property, and shall not apply to real estate taxes, which shall continue to be assessed and taxed under the applicable provisions of the General Laws of Massachusetts<sup>1</sup>. Solar Facilities shall be treated as personal property and shall not considered fixtures to the real estate.
3. A Solar PILOT Agreement will not be executed by the authorized signatories until it is accompanied by a Certificate of Vote of the Town Meeting Warrant Article approving the particular Solar PILOT Agreement.

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<sup>1</sup> See Exemption Eligibility for Electric Generating Systems When Situated on Property Owned by A Governmental Entity, DOR LFO-2022-1 (January, 2022).

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4. If a Conservation Restriction has been required as a condition of approval of the Solar Facility by the Select Board, Planning Board or Conservation Commission, a Solar PILOT for the Solar Facility will not be executed by the Town authorized signatories until the Conservation Restriction has been approved by all relevant authorities and it has been executed and recorded.
  5. All Solar PILOT Agreements shall be substantially in the form attached hereto.
  6. All payments which are due and payable pursuant to a Solar PILOT Agreement shall be calculated on a base value of Sixteen Thousand Five Hundred and 00/100 (\$16,500.00) Dollars per MWDC. The Town may adjust this base valuation per MWDC upon the request of a Developer of the Solar Facility provided said request is accompanied by specific and detailed financial and other appropriate information that support such a request. This base value may be altered periodically by the Town based on its review of current financial conditions concerning the development of Solar Facilities, but the base value of an executed Solar PILOT Agreement shall not be altered.
  7. The Developer and/or Owner of a Solar Facility may not discount and/or prepay future payments under a Solar PILOT Agreement.
  8. The amount of annual payments required under any Solar PILOT Agreement shall increase by 2.5% per year during the term of said Solar PILOT Agreement.
  9. Solar PILOT Agreements shall have a term of no greater than twenty (20) years. Notwithstanding the previous sentence, a Developer of the Solar Facility may request a longer term, but such a request must be accompanied by a detailed financial analysis that clearly demonstrates that the project will not be economic feasible without a longer term.
  10. If the Developer is also the owner of the property on which the Solar Facility is located, then the PILOT Agreement shall provide that the provisions of

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Chapter 60 of the General Laws of Massachusetts, including placing a lien for non-payment, shall apply to the collection of all amounts due and payable under said Solar PILOT Agreement. All Solar PILOT Agreements shall also require the Developer and/or Owner of the Solar Facility to assent to the filing of a UCC Financing Statement to establish a lien in favor the Town for any unpaid PILOT amounts.

11. All Solar PILOT Agreements shall provide that the payments required under said Solar PILOT Agreement shall not be reduced on account of a depreciation factor, revaluation, or reduction in the Town's tax rate not reflected in said Solar PILOT Agreement.
12. All Solar PILOT Agreements shall provide that the Developer and/or Owner of Solar Facility shall not apply for an abatement relative to the valuation of the Solar Facility as set forth in said Solar PILOT Agreement.
13. The Developer and/or Owner of a Solar Facility on municipal property, other than the Town or its associated entities, shall also be liable for payment of real estate taxes pursuant to General Laws Chapter 59, Section 2B<sup>2</sup> and further, said Developer and/or Owner shall specifically acknowledge and agree, in writing, that the amount of said assessment shall not be added to the amount paid by the Town or its associated entities under any Power Purchase Agreement or Alternate On Bill Credit Agreement.
14. The Developer and/or Owner of a Solar Facility shall be responsible for all legal fees and costs pertaining to the negotiation, drafting, and execution of the Solar PILOT Agreement. Additionally, all Solar PILOT Agreements shall provide that said Developer and/or Owner shall be responsible for all costs of collection of unpaid payments pursuant to the Solar PILOT Agreement, including reasonable legal fees and costs and all legal fees and costs incurred by the Town from any breach of a Solar PILOT Agreement by the Developer and/or Owner, or assignee. The Developer and/or Owner of a Solar Facility

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<sup>2</sup> See Exemption Eligibility for Electric Generating Systems When Situated on Property Owned by A Governmental Entity, DOR LFO-2022-1 (January, 2022).

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shall be responsible for all legal fees and costs incurred by the Town from any request for consent to a proposed assignment of a Solar PILOT Agreement.

15. All Developers and/or Owners of a Solar Facility who execute a Solar PILOT Agreement, and all assignees of the Developers' and/or Owners' rights under a Solar PILOT Agreement shall be registered with the Secretary of the Commonwealth as a legal entity, or if a foreign entity, shall be registered with the Secretary of the Commonwealth to do business in the Commonwealth. A Certificate of Good Standing from the Secretary of the Commonwealth shall be required to prove compliance with this requirement.
16. All Developers and/or Owners of a Solar Facility shall indemnify the Town relative to liability, damages or claims arising from any environmental contamination associated with the Solar Facility or the land on which is developed.
17. All Solar PILOT Agreements shall be approved by the Board of Assessors, the Board of Selectmen, and Town Meeting, and shall be executed on behalf of the Town by the Board of Assessors, the Board of Selectmen and the Town Administrator pursuant to Article \_\_\_ of the 2022 Annual Town Meeting.
18. These Guidelines may be amended periodically by the Board of Assessors, and any of these Guidelines may be waived by the Board of Assessors, if such waiver is, in the sole discretion of the Board of Assessors, in the interest of the citizens and taxpayers of Plympton.

Promulgated: September 14, 2020

Amended: February 8, 2022

Amended: April 24, 2023