THE COST OF VALUE: PV AND PROPERTY TAXES

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ABSTRACT

Property tax policy, as it relates to photovoltaics (PV), is a topic that is not well covered by existing literature, despite the fact that property tax law is exceedingly complicated, and that state property tax policies are relevant to all PV projects. In this paper, we explore state property valuation and tax treatment of PV in 15 states. The states studied include the top ten states in installed PV generating capacity through 2010[1] and five additional states that exhibit high near-term market potential. The research uncovers significant variations in how PV systems are addressed in explicit state policies, numerous gaps where methodologies are not well-defined, and a variety of general policy issues that merit attention in all states.

1. INTRODUCTION

A total of 30 U.S. states have enacted policies addressing how PV should be treated for property tax purposes and, in fact, some states have multiple policies that apply to different system configurations or ownership structures. State policies typically take the form of either an exemption from property tax for the value added by a PV system, or a special assessment that formalizes an approach to valuing PV systems. Some of these states also have policies that allow local governments to opt-in or opt-out of providing an exemption or special assessment.[2] A special assessment that disregards the entire value of a PV system is equivalent to an exemption for a PV system owner, but some assessment laws simply define a PV-specific valuation methodology rather than provide a clear financial incentive. However, special assessments are important because they introduce transparency, predictability, and fairness into property tax treatment of PV. As such, they may be seen as a supportive state solar policy.

To understand how property taxes affect the viability of a proposed PV project, understanding the gaps in state policy is at least as important as understanding the formalized procedures. Wherever a gap exists, the potential for local variation exists. The objectives of our analysis are as follows:

- Provide a snapshot of how different types of systems are treated in 15 states with high current or near-term PV market potential
- Identify the issues associated with valuing and taxing PV property using traditional methods
- Offer insights for improving clarity and fairness of state policies

The information presented here is intended to be a reference for representatives of the PV industry as they investigate policies in unfamiliar states. In addition, it is a resource for state or local officials seeking information on practices used in other jurisdictions and issues that should be considered in policy formulation. It should not be seen as a guide to incentivizing PV through property tax policy, an endorsement of this practice, or as professional tax advice.

2. OVERVIEW OF PROPERTY ASSESSMENT AND TAXES

There are several elements that influence the potential property tax burden on a PV facility (or any property for

that matter). The following description is general in nature and some state and local practices may vary. Ultimately, property taxes are based on the value of the property, which is arrived at through an appraisal to determine the full market or cash value of the property. The cash value is not necessarily identical to the assessed value of the property, as some jurisdictions do not levy property taxes on the full cash value of a property. This practice is typically referred to as the assessment ratio or rate.

To arrive at a value for property taxes owed, the assessed value is multiplied by the property tax rate for a given location. Where an exemption exists, the existence of exempt property may be noted, but not included in the assessment. Where a special assessment exists, the full value of the property is typically noted, but the added value is disregarded when calculating the property tax.

A fundamental principle of the property tax system is that all property owners have the right to a fair appraisal. Property value is arrived at using one or more of the following generally accepted methodologies: Market/Comparable Sales, Cost, and Income Capitalization.[3,4] While certain types of property are commonly appraised using one method, the assessor may use multiple methods to arrive at a valuation that is both fair to the taxpayer and defendable in the face of a dispute.

Market/Comparable Sales: The comparable sales approach estimates the value of a property based on past sales of similar properties in the immediate area. This approach is used frequently in appraising residential real estate such as an owner-occupied home. Numerous factors (e.g., location, age of property, amenities) influence what a buyer will pay for a property. The actual valuation is frequently undertaken using computer-assisted models, of which there are several varieties. Using a comparable sales approach for properties equipped with PV has proven difficult because few such sales exist and the databases that support an analysis may not even include PV as a property attribute.

Consequently, a property with a PV system may not experience any near-term increase in assessed value under a comparable sales valuation even where an exemption does not exist. With the increasing prevalence of PV, it stands to reason that this benefit could be temporary. In fact, there is evidence to suggest that home buyers do value solar and energy efficiency improvements that serve to reduce energy costs. One study estimates sales price premiums for PV-equipped California homes at 14 – 22 times the value of annual energy savings.[5] Another study indicates that homebuyers have historically discounted energy savings at a 5% after tax mortgage interest rate, which translates to an increase in sale price of roughly 20 times the annual value of energy savings.[6]

Cost: The cost or replacement cost approach estimates the value of the property based on its original cost, adjusted for age. The decline in value attributable to the age of the property is determined by the depreciation schedule, which is based on the expected life of the property and may include a minimum floor value (e.g., 20% of original cost) beyond which no further depreciation is allowed. It is important to note that the depreciation process for federal or state income tax purposes (including incentivized treatments such as accelerated depreciation) is totally separate and likely different from that used for the property assessment. The replacement cost approach is often used for unique property for which comparable sales do not exist, such as specialized commercial equipment. The value of the land would also be included in arriving at the value of a property.

Using the cost approach to value PV property can be challenging in several ways. First, the impact of federal and state incentive programs on the net project cost is often considerable, but such incentives are not static over time. If the cost used is the net original cost after incentives, it may not accurately reflect the cost of replacing the property several years in the future when incentive programs and potentially the tax situation of the owner have changed. Second, actual installed cost can vary substantially from installer to installer and over time. Thus, the true cost of replacing a system at some point in the future is difficult to calculate with any degree of certainty.

Income Capitalization: The income capitalization approach is typically used for property that produces income, such as rental property. It is essentially a discounted cash flow methodology that measures the potential return on an investment over a set period of time given certain assumptions. The assumptions used in such an analysis have a tremendous impact on the results. While the calculations involved are often quite complicated, in basic terms the value is determined by the net present value of all of the cash flows associated with the project. This incorporates expected revenue and expected costs discounted over time. The selection of a discount rate depends on various market characteristics such as lending rates or desired investor returns.

With respect to PV, the income capitalization approach requires extensive and detailed project level information such as system energy production, operation and maintenance costs, electricity rates (or power purchase agreement rates), potential revenue from solar renewable energy credits (SRECs), and tax rates over an extended period of time. Forecasting the value of avoided electricity purchases and REC revenue presents a particular challenge to the use of the income capitalization approach for some facilities.

3. THE PROPERTY TAX POLICY ENVIRONMENT

3.1 State Policy Summaries

The summaries below present a snapshot of how 15 leading solar states address valuation and property taxation of PV equipment under different ownership and system configurations. The summaries are based upon state tax laws, official determinations and conversations with state and local professionals involved in the administration of property taxes. The term "customer-sited" is used here to differentiate between facilities that supply energy for on-site use and wholesale facilities that supply electricity directly to the grid.

It should be noted that the descriptions below do not generally address the details of payment in lieu of tax (PILOT) agreements between system owners and a local governing body. Due to the need for brevity the descriptions address only the current practices and do not address all circumstances where the facility installation date compels a different treatment. In addition, the summaries are limited to PV property itself rather than real estate in cases where PV is treated as personal property. Real estate upon which personal property is installed may experience a change in value as a result of permanent improvements (e.g., facility buildings) or other factors that influence land value (e.g., development potential). In basic terms, real property or real estate refers to land and permanent improvements, while personal property is property that is not permanently affixed to the real property. The proper classification of PV property is sometimes a source of disagreement between property owners and assessors.

Arizona. By law, customer-sited residential and non-residential PV facilities add no taxable value to a property (A.R.S. §42-11054). The value of a wholesale PV facility is arrived at using the cost method where the full cash value is established by law at 20% of the depreciated cost (A.R.S. § 42-14155). Arizona uses a 30-year straight-line depreciation schedule and a 10% floor. An assessment ratio is applied to the full cash value to arrive at an assessed value upon which property taxes are levied. For 2012 the assessment ratio for utility and commercial or industrial properties is 20%.[7]

California. By law, the value of PV equipment that is subject to local assessment is excluded from the property's value (Cal Rev & Tax Code § 73). The exclusion has no specified time limit, but lasts only until a change in ownership of the PV property, at which point the property would be reassessed and may increase in value. ABX1-15 enacted in 2011 clarified that sale-leasebacks and other structures commonly used to finance PV systems do not trigger a reassessment.[8] It is not yet clear how properties that lose the exclusion due to a change in ownership will be assessed because few, if any, examples currently exist.[9] Generally speaking, property owned by a regulated utility is centrally assessed by the state using a composite of all three accepted valuation methodologies. Centrally-assessed properties are not eligible for the exclusion described above.[10]

Colorado. By law, customer-sited PV systems located on residential property and owned by the resident are exempt from property taxes (CRS 39-3-102). Independently owned, (i.e., third-party owned) residential, customer-sited PV systems up to 100 kilowatts (kW) are also exempt from property taxes. Also by law, all customer-sited PV facilities and most PV facilities of 2 MW-AC or less, including community solar gardens, are locally assessed as personal property. All other systems are centrally assessed by the state as public utility property (CRS 39-4-101). A standardized cost-based valuation formula is used for PV facilities that are locally assessed, which includes all non-residential, customer-sited systems. The valuation is arrived at by multiplying the system capacity (AC) by a standard value (currently $1,008/kW), adjusting for depreciation using a 20-year economic life on the General Percent Good Table, and then multiplying the result by a level of value (LOV) factor that is administratively determined based on property type. The "percent good" value does not correspond directly to straight-line depreciation. Assessors must also use comparable sales and income capitalization methods to value PV property, but the valuation may not exceed that arrived at using the cost-based formula. RECs are classified as intangible personal property and may not be valued separately by the local assessor.[11]

By law, centrally assessed PV property is valued using an income-based approach that is intended to result in the same level of property tax collections over 20 years as the cost-based method (CRS 39-4-101 et seq.). The cost-based calculation employs a standard threshold capital cost ranging from $386/kW - $1,008/kW based on AC generating capacity. The threshold cost is intended to approximate the capital cost of non-renewable generation. The cost calculation is used in conjunction with an income-based calculation to develop a value for a "tax factor" that is multiplied by electricity sales revenues to generate the facility valuation. Colorado uses an assessment ratio of 29% for most property, including PV systems.[12]

Florida. Florida currently does not have any property tax laws that pertain specifically to PV. In 2008, Florida revived an expired exemption, but a subsequent voter ballot initiative to expand the exemption ultimately resulted in some constitutional issues that the legislature has not addressed, so the exemption cannot currently be applied. Consequently, counties across Florida have different policies to value PV systems for property tax purposes.

Nonetheless, there is some state-level guidance for assessing certain types of PV property for property tax purposes. For tangible personal property (TPP) purposes, commercial PV installations will typically be assessed using the cost approach, and generally have a shorter depreciable life due to their commercial use. When solar systems are installed on residential property, they are usually included as an extra feature to the real estate. The state has not issued any specific guidance related to real property. Most of these issues are left up to the local property appraiser.[13]

Utility-scale projects may be assessed in different ways by different jurisdictions. Recently, there have been several large utility-scale installations that provide insight into how assessors evaluate solar. The PSEG Solar Source project for JEA is currently assessed on Duval County's tangible personal property tax roll. Both the cost and income approaches were used to establish an assessment of the solar installation.[14] A combination of the cost and income approaches was also used for the FPL DeSoto (County) Next Generation Energy Center. The depreciation used in the cost approach is based on the rates approved by the Florida Public Service Commission with a 30-year life. As in Duval County, systems in DeSoto County are also evaluated as tangible personal property.[15] In Lee County, systems are considered to be personal property and are assessed using the cost approach, with a 25-year depreciation schedule.[16] In Martin County, solar and other renewable energy improvements are not valued for assessment purposes and it is assumed that the value of these devices is reflected in the market when these properties sell.[17]

Hawaii. Hawaii currently does not have any state-wide property tax laws that pertain to PV; property tax authority was transferred from the state to the counties in 1981. All four counties in Hawaii grant a property tax exemption to customer-sited systems. Under this exemption, systems used primarily for on-site, personal consumption are also permitted to transfer, market, or sell excess generation as long as that amount is less than 25% of total energy output produced.

In Maui and Hawaii Counties, an exemption is not granted for systems that transfer, market, or sell electricity on a commercial basis, when the amount is greater than 25% of total energy output produced. In Maui County, the cost approach is used and depreciation is determined manually.[18] In Hawaii County, the cost approach is used to value commercial systems, with an adjustment made for market conditions.[19] The City and County of Honolulu grants an exemption to all alternative energy systems, not just those intended for on-site use.[20] Kauai County has a commercial alternative energy exemption for systems that sell more than 25% of energy generated to the public utility company. For property tax purposes, the renewable energy equipment is 100% exempt, and the land is assessed for limited industrial use, resulting in a 50% exemption. Property owners may elect instead to make a PILOT that amounts to 1% of the gross revenue generated from selling the electricity to the public utility company.[21]

Illinois. By law, solar improvements on any property are assessed at no greater than the value of a conventional heating or cooling system (§ 35 ILCS 200/10-5 et seq.). While the law does include PV and electricity generation in the section defining eligible solar energy systems, "conventional" electricity supply is not defined. It would appear that all customer-sited facilities qualify for an exemption if the "conventional" heating and cooling system in question is interpreted to be grid-supplied of electricity. The Illinois Department of Revenue could provide no further guidance on this issue, or how wholesale PV facilities would be assessed.[22] Illinois does not levy taxes on business personal property; therefore a wholesale PV facility that is determined by a local assessor to be personal rather than real property would not be subject to property taxes. The authors were unable to obtain any information on local classification practices. A similar lack of clarity with respect to commercial scale wind turbines led to a 2007 law (Public Act 095-0644) establishing a standard valuation procedure. Illinois uses a 33.3% assessment ratio to translate fair cash value into assessed value.[23]

Maryland. By law, PV equipment that is used to generate electricity for use on-site in a structure or for supply to the electric grid is exempt from real property taxes (Md Code: Property Tax §7-242) . As written, this exemption encompasses both residential and non-residential customer-sited systems regardless of ownership type. This language could be interpreted as applying to grid supply systems as well, but current practices suggest that this is not the case. Business tangible personal property and utility property are centrally assessed. A wholesale PV facility is valued using a replacement cost methodology with a 30-year straight-line depreciation schedule and a 25% floor. Business personal property used to generate electricity for sale receives a general exemption of 50% of the assessed value.[24]

Massachusetts. By law, customer-sited PV systems of all types that are located on taxable properties are exempt from real and personal property taxes for 20 years (M.G.L. ch. 59 § 5 (45, 45A)). This exemption does not apply to properties for which an existing exemption is available (e.g., those located on public property). Although local variations may exist, privately-owned facilities installed on public property (e.g., systems operating under a retail power purchase agreement) would likely be assessed using a cost approach. A standard depreciation schedule for PV property has not been defined, so it would be determined locally.[25] Likewise,

wholesale PV facilities are not exempt from property taxes and the treatment depends on the characteristics of the property. Some components of a system may be assessed as real property.[26] [27]

Nevada. By law, all customer-sited residential and non-residential PV systems are exempt from property taxes (NRS § 701A.200). Wholesale PV facilities of 10 MW or larger that meet certain other requirements are eligible for a property tax abatement of 55% for 20 years (NRS 701A.360, et seq.). Facilities located wholly within a county that do not transmit power across county lines are locally assessed. Based on a review of several abatement applications for large scale PV projects it appears that Nevada generally considers wholesale PV facilities to be real property improvements rather than personal property. Consequently, the property is valued at its replacement cost less depreciation at a rate of 1.5% annually for a maximum of 50 years and the cost of the improvements is not adjusted upward for inflation (although the land value may appreciate over time).[28] [29]

New Jersey. By law, customer-sited PV facilities of all types are exempt from property taxes (N.J. Stat. § 54:4-3.113a et seq.). New Jersey does not levy property taxes on business personal property. Consequently, for a wholesale PV facility the local assessing officer must make a determination of what constitutes real property and what constitutes personal property based on a three-factor test related to intended permanence and the potential for injury upon property removal. The outcome of this determination may depend on the physical characteristics of the facility itself, although anecdotal evidence suggests that the vast majority will typically be classified as personal property (and therefore not taxed).[30] [31]

New Mexico. By law, residential PV systems are not treated as physical improvements to a home and therefore may not increase its value (N.M. Stat. § 7-36-21.2). However, the value of a PV system is assessable subsequent to a change in ownership of the home. All other types of PV systems are assessed centrally by the state using the original cost and a 20-year straight-line depreciation schedule with a 20% floor. By law, the state uses a standard assessment ratio of 33.3% to translate property value into assessed value (N.M. Stat. § 7-37-3).[32]

New York. New York has two separate laws that pertain specifically to PV property. By law, energy conservation improvements, including solar systems, that are owned by private individuals and installed on one- to four-family homes are exempt from property taxes (NYCL Real Property Tax Law §487-a) . A separate law creates a local option for local governments to allow a 15-year exemption from real property taxes for PV equipment installed by the end of 2014 (NYCL Real Property Tax § 487). Notably, the latter exemption does not require facilities to be customer-sited in order to qualify, a fact confirmed by the Exemption Handbook and one local assessor.[33] [34] Local governments, however, are permitted to enter into a PILOT agreement with the property owner for which the payment does not exceed the amount of property tax payable without an exemption. The two laws are also differentiated by the fact that the latter does not allow an exemption from special ad valorem levies (i.e., additional tax obligations based on value) that may exist in some jurisdictions while the former does.

Where a jurisdiction has opted out, it is also relevant that personal property is not subject to property taxes in New York (NYCL Real Property Tax Law § 300). However, in 1993 the New York Office of Real Property Tax Services (ORPTS) issued an opinion that a commercial wind farm should be considered real property and therefore subject to taxes "when the intent of permanence of installation can be inferred from its use in generating electricity to be sold to a utility company".[35] While not specific to PV, this opinion is perhaps indicative of how the ORPTS would view a wholesale PV facility not eligible for an exemption.

North Carolina. By law, 80% of the appraised value of a PV system is exempt from property taxes (N.C. Gen. Stat. § 105-275). However, the North Carolina Department of Revenue has determined that residential customer-sited systems that do not generate income are exempt from property taxes as non-business personal property.[36] For non-residential PV facilities that are not owned by a regulated utility, the appraised value is determined under a cost approach using an 18-year straight-line depreciation schedule. A trending factor is used to account for inflationary increases in replacement cost. The product of the trending factor and the depreciation factor is the "percent good" factor, which is multiplied by the original cost to determine the appraised value and has a 25% floor. The property of regulated utilities is centrally assessed using a composite of the standard valuation approaches. The 80% exemption from the appraised value is included in the cost approach.[37]

Ohio. By law, all residential and non-residential PV facilities up to 250 kW-AC, including third-party owned systems, are exempt from real and personal property taxes (ORC 5709.53). Larger facilities placed in service by the end of 2013 are also exempt from real and personal property taxes, but owners of such systems must make a PILOT instead. For PV projects the PILOT amounts to $7,000/MW and projects larger than 5 MW require a specific county approval and must meet a variety of other requirements. The county may require additional payments beyond the standard rate, up to an overall total of $9,000/MW.

Pennsylvania. No formal guidance currently exists for valuing or taxing PV property in Pennsylvania so local practices may vary. However, based on communications from several jurisdictions, it appears that at this point in time PV systems do not commonly add value to assessments. Residential properties equipped with PV would likely experience no immediate increase in value due to the lack of comparable sales or inadequacies in computer-aided assessment software. For non-residential customer-sited property or third-party owned systems, the property may often be classified as commercial equipment, which is not subject to property taxes in Pennsylvania. Wholesale facilities might be assessed using an income capitalization approach, but if the equipment is classified as commercial equipment it would not be subject to property taxes.[38] [39] [40] [41]

3.2 PV Property Tax Issues

Through the research described above, the authors discovered a variety of issues with existing state laws that hold the potential to create confusion and dispute.

Property Classification – There are several aspects of property classification that can affect the property tax burden of a PV facility. In the preceding section we noted several examples (e.g., New Jersey) where the classification of PV property as real or personal property has a substantial impact on property tax burden. Beyond definitions of real and personal property, in many states "utility property" constitutes a separate classification that may have its own valuation rules and assessment ratio. Prior to a change in law in Ohio, the classification of PV property used for electricity sales, including third-party owned systems hosted on customer sites, led to extremely high valuations and was a major obstacle to industry growth in the state.

A separate example of property classification playing a significant role occurs in North Carolina, where systems that are used in a "business" context are taxed (albeit under a special assessment) while residential homeowner-owned systems are considered non-business personal property and are therefore exempt from property taxation. While this example pertains specifically to North Carolina, it raises a broader issue of how PV systems that gain substantial value from the sale of SRECs would be classified. For its part, Colorado law specifically provides that SREC sales are not considered income generation for property tax purposes.

One further potential complication is presented by the increasing prevalence of various forms of virtual net metering. A community net metering facility essentially supplies electricity directly to the grid rather than to one specific host site. Where a state policy contains language relating to on-site use, which many do, it is unclear how a system that is not completely in line with this definition would be viewed. While virtual net metering is intended to approximate net metering (i.e., on-site use) under a different physical system configuration, it appears to fall outside of the plain language of some state laws and has the potential to create confusion.

Unclear/Antiquated Laws – In some cases the laws governing property tax assessment of solar were developed decades ago. The special assessment for solar equipment in Illinois is a good example of a law that purports to address the situation, but which is difficult to interpret in the context of the modern PV market. Another example is New York, where residential PV systems would appear to fall under two distinct exemptions with different terms. Finally, in states such as Pennsylvania and Florida, no statewide laws exist and the potential for local variation is substantial. The lack of a clear policy may lead to variations in how a system is valued immediately after it is built, as well as throughout the life of the equipment.

Change in Ownership – Two states, California and New Mexico, have exemption laws that are in place until there is a change in ownership of the property. In New Mexico this appears to pertain only to a sale of the host property itself rather than the PV system, but in California the issue was unclear enough that a change in law was necessary to create greater certainty for ownership/financing models that involve a change in ownership of PV property. This type of clause would also appear to be problematic for third-party owned systems in general, where the customer may exercise a buy-out option at some point during the contract.

Systems on Public/Tax Exempt Property – We have identified two distinct issues that pertain to systems on public or tax exempt property. The first, which may be somewhat unique, exists in Massachusetts where only customer-sited PV systems sited on taxable property receive the exemption. Privately-owned systems sited on tax-exempt properties, such as the property of a local government or a church, are not eligible. More generally, it has been hypothesized that property leases (e.g., a roof or land) could jeopardize an exemption that is based on the property serving a public purpose. This type of determination could potentially affect both leases of property for wholesale power production, as well as leases that take place as part of a customer-sited third-party owned arrangement (i.e., a retail PPA for which the site host leases the roof to a private company).

4. CONCLUSIONS AND RECOMMENDATIONS

Our research finds significant disparities in the level of sophistication and clarity of state policies that pertain to PV systems and property taxes. While some states have

developed well-articulated policies that address the range of potential scenarios in the current PV market landscape, others lack the necessary detail for a PV property owner to accurately estimate the potential burden of future property taxes. It is also evident that accurately valuing PV property using commonly accepted methodologies is not necessarily easily accomplished. Clearly however, PV property does have value. From a property tax standpoint that value translates into tax levies.

In many cases the numerous property tax incentives that currently exist avoid the need to develop consistent assessment methodologies. However, as many industry stakeholders are aware, PV incentives can be fleeting. It is not unreasonable to think that a certain amount of policy risk exists, and with it the potential for unwelcome surprises. Moreover, the PV industry itself continues to evolve and property tax laws need to evolve with it in order to avoid confusion and disparate treatment. This evolution demands focused attention on the characteristics of the PV market in each state and contemplation of how policy changes related to PV will affect it. Neither an assessor nor a property owner wants an assessment to result in an appeal, but it is inevitable that such disputes will arise where there is a lack of standardized protocols.

No standardized set of best practices exists for property tax valuation of PV. This paper identifies some of the issues present in leading solar states and highlights gaps where additional clarity is needed. Based on this research the authors submit the following important issues to consider when formulating property tax policy for PV systems.

- Owners of long-lived property such as PV facilities desire policy certainty over the life of the property. Where property tax treatment may change due to legislative action, policy expiration, or change in facility ownership, designing laws to treat existing and new facilities equally promotes fairness in the system.
- Standardized capacity-based formulas ($/kW) provide a simple and easily understandable way of valuing PV property.
- Assessment laws that address PV in comparison to a "conventional system" are difficult to interpret when applied to PV.
- The use of replacement cost as a proxy for value is difficult to apply in the face of a rapidly evolving industry where costs are not static and net costs often deviate substantially from gross costs.
- The income-based approach is complicated to apply, but its use is consistent with the intent of many commercial PV facilities. Clear definitions of income producing property and what should be included in income, particularly where SREC sales are a significant source of revenue, are important for consistent application of this approach.

Notwithstanding the lack of "best practices" guidance contained herein, it is worth noting that property tax policy is something that should be viewed through the lens of broader state goals and policies. Where incentivized treatment of PV is considered a worthwhile public policy, incentives provided via property tax policy should not be overlooked as a potential source of savings for PV system owners.

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