

Board Policy: **Taxes and PILOTs**
Policy Type: **Operating Policies**
Monitored by: **Finance and Audit Committee**
Board Resolution: **#1320, approved September 21, 2016**
#1464, amended January 23, 2019



Board Policy on Taxes and PILOTs

It is the policy of the Long Island Power Authority to:

- Pay only such taxes, payments in-lieu-of taxes (“PILOTs”), assessments, and fees as are required by law or by agreement.
- Avail itself of the lawful right to challenge excessive tax assessments and payment obligations to minimize the cross-subsidization of taxpayers in some taxing jurisdictions by the Authority’s customer-owners in other jurisdictions.
- Inform customers of the burden of taxes, PILOTs, assessments, and fees in their electric bills.

The Chief Executive Officer (or his designee) is hereby authorized to enter into any agreements that advance the Board’s Policy on Taxes and PILOTs, including but not limited to agreements to make payments to municipalities and taxing jurisdictions to offset reductions in tax revenues due to settlements of any LIPA tax or PILOT challenges.¹

The Chief Executive Officer will promptly report any settlement or related agreements to the Board and will report annually to the Finance and Audit Committee on compliance with the provisions of the Policy.

¹ The Authority’s Bylaws authorize the Chief Executive Officer (or his designee) to sign contracts, agreements and other documents on the Authority’s behalf. This includes the authority to enter into agreements with municipalities and taxing jurisdictions to obtain reductions in the Authority’s taxes, PILOTs, assessments, and fees, either paid directly or through contracts with the owners of power plants.