



# Memorandum

Date: October 13, 2025

To: Brady Friss, Development Manager, Ranger Power

From: Tina Dhariwal, Consultant

Re: Property tax impact of utility-scale solar development

Cc: Tyler Theile, Vice President & Director, Public Policy

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## Purpose

Ranger Power is a utility-scale energy developer that owns and operates renewable generation systems across the United States. Ranger Power plans to develop a utility-scale solar project in Hillsdale County, Michigan. Ranger Power retained Anderson Economic Group to determine the property tax impact the project will have on local taxing jurisdictions, including Hillsdale County, Fayette Township, local schools, health services, and others.

## Project Overview

Ranger Power plans to construct an approximately 140-megawatt solar project in Fayette Township, Hillsdale County, MI. The project, known as the Heartwood Solar II project, will be built on approximately 1,000 acres of land within the township. In keeping with the rural and agricultural nature of the community, the project will be completely enclosed by a woven-wire fence with wooden posts. The project will promote and contribute to the community's existing agricultural nature while generating new forms of economic opportunity for the agricultural community. Project construction is expected to begin in late 2027 and cost approximately \$151 million. Upon completion, the Heartwood Solar II project will generate substantially increased property tax revenues for local taxing jurisdictions.

## Findings

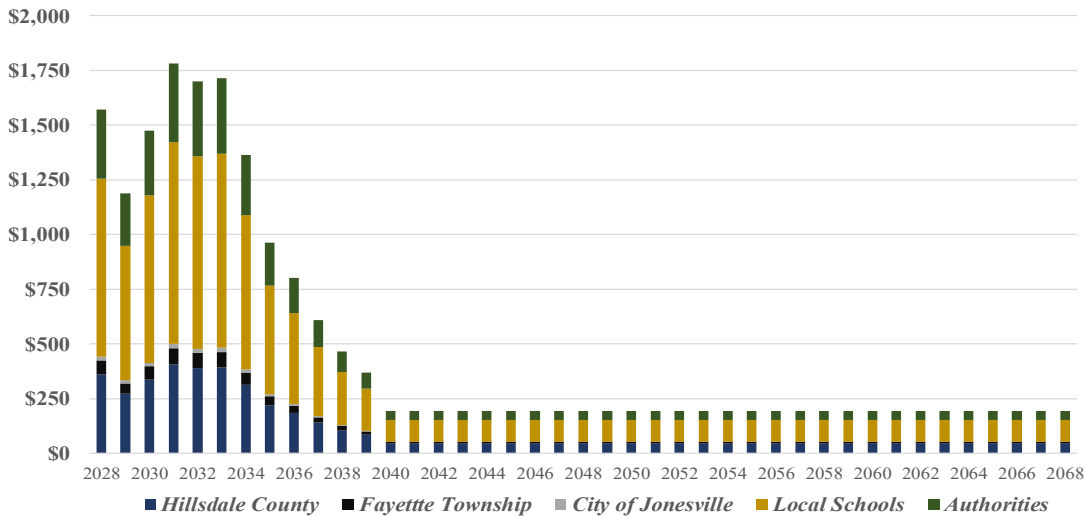
*Our analysis shows that the Heartwood Solar II will generate \$16.5 million in personal property tax revenues over the next 25 years, and \$19.6 million in personal property tax revenues over the next 40 years.*

Once built, the Heartwood Solar II will generate approximately \$16.5 million in personal property tax revenue over the next 25 years, and an additional \$3.1 million over the following 15 years for a

total of \$19.6 million in personal property tax revenue over the next 40 years. The project will result in increased personal property tax revenue for several local taxing jurisdictions. These include Hillsdale County and with Fayette Township. Also included are the Jonesville and Hillsdale Community Schools, Hillsdale Intermediate School District, as well as library and health and senior services.

Below, we show the projected annual personal property tax revenues for each taxing jurisdiction by year in Figure 1. See Table 1 on page 6 for a detailed summary of personal property tax revenues for each taxing jurisdiction by year.

**Figure 1. Heartwood Solar II Annual Personal Property Tax Revenues by Taxing Jurisdictions, 2028-2068 (Thousands)**



Source: Anderson Economic Group analysis using data from Ranger Power, Hillsdale County, and the State of Michigan

Note: Hillsdale County includes county operations; Fayette Township and City of Jonesville include township and city operations; Local schools include Jonesville and Hillsdale Community schools and Hillsdale Intermediate School District (ISD); Authorities include Library, Medical Care Facility, Senior Center, Ambulance, and Mental Health Services.

### About Anderson Economic Group

Founded in 1996, Anderson Economic Group is a boutique research and consulting firm, with offices in East Lansing, Michigan, and Chicago, Illinois. The experts at AEG have particular expertise in conducting economic and fiscal impact studies, having worked for a wide range of clients. These clients include public and private utilities, wind and solar developers, state and local governments, nonprofit organizations, and corporations across the United States. A few of the relevant publications from our firm include:

- Economic and Fiscal Impact of an Offshore Wind Development, 2020.
- Economic and Fiscal Impact of Solar Developments in Three Michigan Counties, 2019.
- Economic and Fiscal Impact of St. Clair Power Plant in St. Clair County, Michigan, 2017.
- Economic and Fiscal Impact of Proposed Gas-Powered Plan in Niles, Michigan, 2017.

- Economic and Fiscal Impact of Proposed Wind Development in Tuscola County, Michigan, 2016.

For more information about Anderson Economic Group, please visit [AndersonEconomicGroup.com](http://AndersonEconomicGroup.com).

#### *About the Authors*

**Ms. Tina Dhariwal.** Ms Dhariwal is a consultant in the public policy and economic analysis practice group at Anderson Economic Group. She brings a strong background in economic and fiscal impact analysis, public policy evaluation, and data analytics. At AEG, Ms. Dhariwal has contributed to projects across a range of industries, including energy infrastructure, higher education, and housing. She has conducted several economic and fiscal impact assessments for major Michigan-based clients and supported evaluations involving state- and local-level economic and policy decisions. Ms. Dhariwal holds a Master's degree in econometrics and quantitative economics from the University of Wisconsin-Madison and a Bachelors degree in economics with honors from the University of Delhi.

**Tyler Marie Theile.** Ms. Tyler Theile is the vice president and COO at Anderson Economic Group. She also serves as director of AEG's public policy and economic analysis project area. Ms. Theile's recent projects include an analyses of power transmission infrastructure projects, economic impact analysis for mixed-use real estate development, valuation for various beer distributors, and an economic impact related to legislation changes. Ms. Theile is a graduate of Michigan State University's James Madison College, where she received a BA in international relations with a specialization in political economy.

## Appendix: Methodology

We constructed a custom property tax impact model to determine the impact of the Heartwood Solar II on relevant local entities. The model is based on our review of Michigan property assessment guidelines, and on assessments for other solar projects in the state. Our model projects the total property tax liability for the project's generation equipment (personal property). We describe our model below.

### *Personal Property Tax*

In Michigan, solar generation equipment is considered personal property.<sup>1</sup> To determine the initial taxable value of the personal property associated with the project, we obtained construction cost data from Ranger Power and determined the property's initial taxable value. Based on our review of Michigan Department of Treasury guidance, we determined that the personal property associated with the Heartwood Solar II would be classified entirely as industrial personal property.<sup>2</sup>

After determining the initial taxable value of the personal property, we projected the future taxable value of the project's personal property using the appropriate depreciation schedule.<sup>3</sup> Because the project will be assessed as industrial personal property, it will be exempt from both local school operating tax and state education tax. We spoke with the City of Watervliet assessor to confirm our assumptions regarding assessment of personal property for the Heartwood Solar II.

### *Property Tax Projection Limitations*

The property tax revenue projections presented here are based on current assessment practices in Michigan and precedents set by the assessment of other solar projects in the state. The projections herein do not constitute tax advice, and are subject to limitations that include:

- Solar power is a nascent industry in Michigan, with many of the state's utility-scale projects coming online in the last five to ten years. The projections in this memorandum extend for 40 years—a length of time far exceeding the existence of any utility-scale solar project in Michigan.
- At some point over the next 40 years, it is possible that the State of Michigan will issue new guidance on how solar projects should be assessed. Our projections do not speculate on future regulatory changes or their impact on future property tax revenues.
- Our model assumes no increase in local taxing jurisdiction millage rates over the next 40 years. Our projections may differ from actual property tax revenues if local taxing jurisdictions raise their tax rates, or if Ranger Power builds additional capacity or brings new equipment onto the site at a later date.

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1. See Michigan Department of Treasury memorandum, "Guidance Regarding Valuation and Assessment of Photovoltaic (Solar) Electric Generation Systems," April 5, 2022, [www.michigan.gov](http://www.michigan.gov).

2. Ibid.

3. See Michigan Department of Treasury Form 5762, "2022 Solar Energy System Report (as of 12-31-2021)," [www.michigan.gov](http://www.michigan.gov).

*Sources Consulted*

- Project construction costs from Ranger Power.
- Annual millage rates in Fayette Township from Hillsdale County.
- Michigan Department of Treasury Form 5762, “2025 Solar Energy System Report (as of 12-31-2024),” [www.michigan.gov/documents/treasury](http://www.michigan.gov/documents/treasury)
- Michigan Department of Treasury memorandum, “Guidance Regarding Valuation and Assessment of Photovoltaic (Solar) Electric Generation Systems,” April 5, 2022, [www.michigan.gov/documents/treasury/Updated\\_Guidance\\_Regarding\\_Valuation\\_Assessment\\_of\\_Solar\\_Electric\\_Generation\\_Systems\\_750801\\_7.pdf](http://www.michigan.gov/documents/treasury/Updated_Guidance_Regarding_Valuation_Assessment_of_Solar_Electric_Generation_Systems_750801_7.pdf).

**Table 1. Heartwood Solar II Personal Property Tax Revenue by Taxing Jurisdiction and Year**

Year	County	Authorities		Fayette Township	City of Jonesville	Local Schools			Personal Property Tax Impact
	Hillsdale County	Health & Senior Services	Library	Fayette Township	City of Jonesville	Jonesville Community Schools	Hillsdale Community Schools	Hillsdale ISD	
2028	\$359,771	\$245,024	\$71,406	\$64,376	\$16,661	\$414,361	\$52,612	\$347,221	\$1,571,432
2029	\$271,664	\$185,018	\$53,919	\$48,610	\$12,581	\$312,885	\$39,727	\$262,187	\$1,186,591
2030	\$337,745	\$230,022	\$67,034	\$60,434	\$15,641	\$388,992	\$49,391	\$325,962	\$1,475,222
2031	\$407,496	\$277,527	\$80,878	\$72,916	\$18,871	\$469,327	\$59,591	\$393,281	\$1,779,887
2032	\$389,140	\$265,026	\$77,235	\$69,631	\$18,021	\$448,187	\$56,907	\$375,565	\$1,699,712
2033	\$392,812	\$267,526	\$77,964	\$70,288	\$18,191	\$452,415	\$57,444	\$379,108	\$1,715,747
2034	\$312,047	\$212,521	\$61,934	\$55,836	\$14,451	\$359,395	\$45,633	\$301,161	\$1,362,977
2035	\$220,268	\$150,015	\$43,718	\$39,414	\$10,201	\$253,690	\$32,211	\$212,584	\$962,101
2036	\$183,557	\$125,012	\$36,432	\$32,845	\$8,500	\$211,409	\$26,843	\$177,153	\$801,751
2037	\$139,503	\$95,009	\$27,688	\$24,962	\$6,460	\$160,671	\$20,401	\$134,637	\$609,331
2038	\$106,463	\$72,507	\$21,130	\$19,050	\$4,930	\$122,617	\$15,569	\$102,749	\$465,016
2039	\$84,436	\$57,506	\$16,759	\$15,109	\$3,910	\$97,248	\$12,348	\$81,491	\$368,805
2040	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2041	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2042	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2043	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2044	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2045	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2046	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2047	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2048	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2049	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2050	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2051	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2052	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2053	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2054	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2055	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2056	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2057	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2058	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2059	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2060	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2061	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2062	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2063	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2064	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2065	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2066	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2067	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
2068	\$44,054	\$30,003	\$8,744	\$7,883	\$2,040	\$50,738	\$6,442	\$42,517	\$192,420
<b>Total</b>	<b>\$4,482,457</b>	<b>\$3,052,797</b>	<b>\$889,661</b>	<b>\$802,071</b>	<b>\$207,582</b>	<b>\$5,162,601</b>	<b>\$655,502</b>	<b>\$4,326,088</b>	<b>\$19,578,759</b>

Source: Anderson Economic Group analysis using data from Ranger Power, Hillsdale County, and the State of Michigan

Note: Assumes future tax rates are constant