

## HOW TO CUSHION FUTURE TAX SHOCK

By Bob Blanchette



**BOB BLANCHETTE**

The Public Utilities Commission's decision to auction off our Eversource Power plant as early as March 2017 brings to reality the adverse effect it will have on the Bow Community.

The State's main objective is to produce the highest price possible for the plant's auction. But once the plant is sold the Town will only receive tax revenue for the next three years without a reduction for any lower assessed value tied to the sale price. It is great that the town was thinking ahead and putting aside \$1,000,000 of fund balance

surplus to help offset a higher tax rate. However, I'm questioning if this amount is enough.

The Town of Bow should prudently increase the amount of fund balance surplus designated to the potential loss of tax revenue of the plant's auction especially since the Town is still in litigation with Eversource regarding the assessed value of some of the plant's assets.

It is wise to prepare for a worst case scenario to lessen the negative tax rate impact on the community in three years.

The final auction proposal from a bidder will probably not benefit our community. Hopefully, the plant won't become a defunct eyesore like the second nuclear reactor at Seabrook station.

In such an unstable market of deregulation, the town in the short term will be doing a balancing act of conservative spending, proposing a level or a reduced tax rate while aggressively seeking major new businesses on Route 3A. The Town ought to consider giving new businesses a limited tax break to move to Bow.

*Bob Blanchette of Bow is a former Budget Director for Bow.*