

A dangerous game in LIPA tax case

Huntington and Northport taxpayers could end up big losers in trial over plant

BY PAUL J. TONNA

Long Islanders pay high property taxes. To lighten this burden, our tax assessors have historically shifted a portion of the taxes to the rest of the Island by overtaxing power plants. These plant taxes are paid by all Long Island residents and businesses through electric bills. If your community has a power plant, you've benefited by paying disproportionately lower property taxes, but as in a game of musical chairs, local officials must plan for when the music stops, and the music is about to stop.

In 1996, I saw a tax case unfold against the Shoreham nuclear plant. After years of wishful thinking and lawyer double-talk on behalf of municipalities, the State Supreme Court revalued the taxes on Shoreham based on the plant's value and ordered a \$1.3 billion tax refund to LILCO customers. The case was settled in 2000, and Suffolk residents are still paying the tax refund, plus interest, through a special charge on electric bills. Maybe

that's why Brookhaven Town Supervisor Ed Romaine has announced his willingness to settle the Port Jefferson power plant tax case with LIPA. He has learned from history.

I live in Huntington, and a similar tax trial is set to start in June for the Northport power plant. LIPA has offered to settle its challenge of the town's assessment of the plant and as town officials consider what to do, I'd like to share what I learned from the Shoreham case.

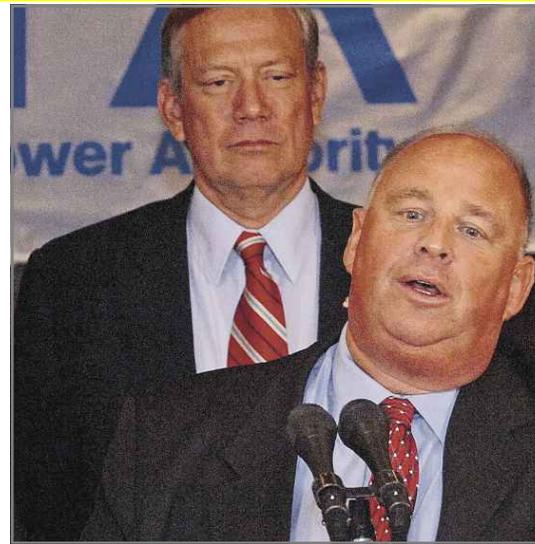
First, be skeptical of no-pain solutions. In the Shoreham case, several arguments were made on why it was OK to overtax power plants. None panned out. I hear the same arguments today.

Some say then-Gov. George E. Pataki and LIPA chairman Richard Kessel promised Huntington the right to overtax the Northport plant indefinitely. Are we willing to roll the dice on such a promise?

Second, do the math and know the facts. LIPA's proposed settlement, if it's the same as the one offered to Brookhaven, would reduce the taxes on the

Northport plant by 50 percent over nine years and waive an estimated \$500 million tax refund. This would create a 2 percent per year tax increase for the residents of the Northport-East Northport school district. The plant would be valued at 10 times its worth at the end of the settlement. But a negative court judgment would mean a revaluation of the plant to its fair value, precipitating a 32 percent increase in Northport-East Northport school taxes. Under state law, all town residents would pay one-half of a tax refund.

Third, a court ruling would change the politics. Overtaxing the Northport plant has allowed Huntington to spread the cost of its local government to the rest of Long Island's utility customers. After the \$1.3 billion Shoreham judgment, taxes went up and people noticed. The Northport plant's proposed settlement is more favorable than the Shoreham settlement. Don't assume



NEWSDAY/JIM PEPLER

Huntington is relying on an assurance in the 1990s from Gov. George E. Pataki, rear, and LIPA chairman Richard Kessel, seen in 2005, that the assessment on Northport's power plant won't be lowered.

has declined by 66 percent since 1999. With solar panels and wind farms being added to the electric grid, the plant is obsolete. While the taxes assessed on the Northport plant are \$81 million a year, the Caithness plant built in 2009 produces the same amount of electricity, uses less fuel, and pays a \$9.7 million tax bill. The excessive taxes on the Northport plant aren't sustainable, and if needed, new plants would be built elsewhere on Long Island where the taxes are lower.

Common sense and the historical record must prevail over wishful thinking and small-minded political calculations.

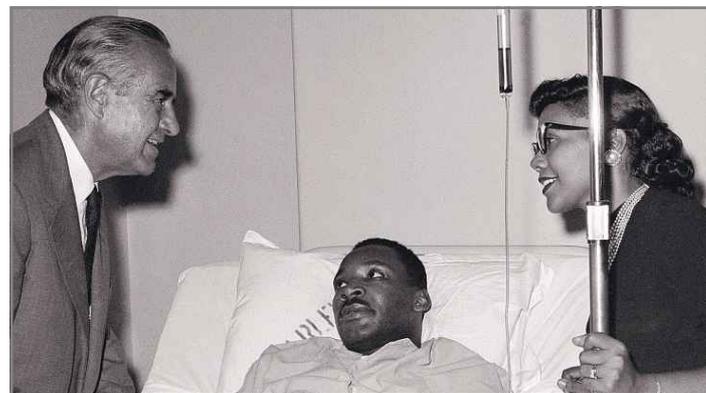
For Shoreham, local officials chose to ignore a problem until it was too late. History doesn't have to repeat itself.



Paul J. Tonna served as a Suffolk County legislator from 1994 to 2005.

It will be available once the case goes to trial. Long Island's other LIPA customers might lobby hard to receive money awarded in a court judgment.

Fourth, Huntington will need a long-term plan. The Northport plant is almost 50 years old, and power plants are worth less with time. Northport's production



AP/RAY HOWARD

Gov. Averell Harriman visits the Rev. Martin Luther King Jr. and his wife, Coretta, at Harlem Hospital after King was stabbed in 1958.

wanted to hear hate speech from the minister.

He said, "Many of you had hoped I would come here to bring you a message of hate against the white man ... I come here with no such message. Black supremacy is just as bad as white supremacy.

"I come here with a message of love rather than hate. Don't

let any man make you stoop so low that you have hate. Have love in your hearts to those who would do you wrong."

Everyone should take the time to let this lesson sink in, and try to live the life that a great man like King had a dream for.

Thomas O'Connor, North Bellmore

Fewer students in classes is a good thing

Newsday's April 3 editorial, "The vexing riddle of school funding," should have applauded the Smithtown school board for promising to reduce elementary classroom sizes for the second year in a row, instead of targeting the district for increased school costs.

As a retired elementary school teacher, I know that meeting and accommodating extraordinarily diverse learning styles, abilities and interests in oversized classes was always a serious hurdle. Large class sizes are clearly not in the best interests of students.

The bottom line is what's best for students. I'm also an overburdened and overtaxed senior, but surely Newsday could explore other areas of the school budget for cutting costs.

Fred Barnett, Lake Grove

Try old methods to warn of overpasses

My heart goes out to the students who were injured and traumatized after the April 8 overpass crash ["Bus hits overpass," News, April 9].

Humans will continue to make errors with GPS and sensors, signage or not. Why not try old-school methods and hang signs on chains that strike a vehicle before entering?

Harley S. Nemzer, Wantagh

Trump turns even a fire into praise for self

I don't know why any tweets by President Donald Trump should surprise me, but his comment about the fire at Trump Tower was beyond belief ["Blaze at Trump Tower," News, April 8].

He tweeted, "Fire at Trump Tower is out. Very confined (well built building). Firemen

(and women) did a great job. THANK YOU!"

This denigrates female firefighters by putting "women" in parentheses. Women are not parenthetical. They do their jobs in many fields, and he should remember that it was a woman who brought him into this life.

Also, why is this fire about him — "well built building"? For once, let the people who did the job right not have to share credit with a man who needs to be praised for everything.

Susan Moss, Nesconset

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