

725197 - RW & Eugene

NSP tax proposal not in public interest

TO THE EDITOR:

Rep. Loren Jennings, DFL-Harris, introduced an amendment March 18 that would eliminate personal property taxes paid on equipment by utilities over a 10-year period through a 10-percent a year decrease. The state's largest taxpayer, Northern States Power Co., pays approximately \$150 million in taxes. Of that, \$92 million is personal property taxes. The equipment that is taxed includes generating equipment, transmission lines and distribution lines.

The amendment did not pass, but will be studied and will come up again next year.

This tax break was not unexpected. Last August, NSP sent a questionnaire to legislators that set out its 1997 legislative agenda, which included deregulation and personal property taxes. The day before the hearing, NSP's Tom Michelletti pleaded their case in a commentary in the Star Tribune of Minneapolis.

Present were representatives of Goodhue County, some of whom campaigned for NSP in 1994 and toured the towns of the county with NSP representatives, charts and graphs,

and enlisted local governments to join in their efforts to protect the tax base. This is the same county that just three months ago negotiated a settlement with NSP in an effort to protect the tax base.

Now they find that their settlement is not worth the paper it was printed on because the utility has other ideas for their taxes. Apparently, the negotiators did not know of NSP's legislative plans. Apparently, NSP withheld material information. The settlement should be thrown out.

More than 100 communities had opened their doors to NSP, and taxes were part of their bargain. At the hearing, community after community testified, "You don't know what it's like to live next to a plant." They told of having to wash and scrape white crystals and sludge off their windows and cars, of acres of dead trees, and of the extra expenses incurred because of their "good neighbor." Although their tax base and budgets were inflated, these communities negotiated terms of their agreement and NSP must not be allowed to unilaterally change that agreement.

Why eliminate these taxes? Is the problem one of unfair distribution of taxes? No. In Wisconsin, tax largess

from utilities is distributed statewide. If the local governments are receiving far too much, and if the utility derives too much power over local governments through these payments, the tax distribution can be altered.

Is it a problem of losing plants to other states? No, the Legislature has been encouraging generating capacity through tax exemption of efficient and ecologically sustainable plants.

The problem is that NSP thinks it should not pay taxes. A larger problem is that Jennings and Gov. Arne Carlson think this is a reasonable position. I don't recall electing NSP to government office. Their proposals are corporate welfare at its most egregious and absurd. Their proposals are not in the public interest.

Is your community one of the hundred or more in Minnesota that would suffer if NSP's personal property taxes were eliminated? Did you elect NSP to run this state? Are you ready to work the overtime necessary to pay NSP's taxes? Let your government, representatives and "good neighbor" NSP know what you think.

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