

George Latimer
County Executive

March 23, 2018

Memorandum of Support Establishment of the Indian Point Tax Stabilization Fund

As the Westchester County Executive, I support the above referenced proposal and urge its enactment.

The Indian Point Energy Center, located in Buchanan, will be shutting down by 2021. This closing will have a major impact on the Town of Cortlandt, Village of Buchanan, and the Hendrick Hudson Central School District, particularly their tax collection. When Indian Point's 2 reactors are shut down, a Payment in Lieu of Taxes agreement will go into effect and remain for the next several years. Under this agreement, by 2024 the amount of property taxes paid to the Town of Cortlandt, Village of Buchanan, the Hendrick Hudson Central School District, as well as to Westchester County will decline from \$31 million to about \$3.1 million. This loss of property tax revenue will create significant financial challenges for Cortlandt, Buchanan, and the Hendrick Hudson Central School District. Currently, 46% of the Village of Buchanan's tax revenue comes from Indian Point, as well as roughly one third of the Hendrick Hudson Central School District's revenues, and 2% of the Village of Cortlandt's revenues. This loss will impact the local government's ability to provide services to residents, as well as the school district's ability to educate our students. It could also lead to significant property tax increases for those who remain in these communities.

The State Senate's budget proposal, S.7508-B, includes a provision to create the Indian Point Tax Stabilization Fund. The moneys appropriated by the Legislature for this fund would be available for distribution to Westchester County, the Town of Cortlandt, the Village of Buchanan, and the Hendrick Hudson Central School District in order to prevent increases in the real property tax levy caused by the power plant's closure, in accordance with a plan to be developed by the Indian Point Closure Task Force. These payments would not affect the allowable levy growth factor for these communities. While the State currently has an Electric Generation Facility Cessation Mitigation Program, the program does not have adequate resources to address this issue. Utilizing the Statewide Fund would require that the State begin to place revenues into this fund on an annual basis in an amount to exceed \$30 million, as other plant closures will be eligible for such funds as well. A separate fund would ensure that the needs of our local communities are met. This will allow for these local governments and school district to mitigate the adverse financial impacts of the Indian Point Closure, and will ensure that they are still able to provide adequate services while avoiding significant property tax increases on local residents.

For these reasons, I support this proposal and strongly encourage its inclusion in the budget.

Respectfully Submitted,



George Latimer, Westchester County Executive

Office of the County Executive

Michaelian Office Building
148 Martine Avenue
White Plains, New York 10601

Email: ce@westchestergov.com
Telephone: (914)995-2900

westchestergov.com