

Peach Bottom, South Eastern reach tax deal

The power station will pay the school district more than \$1.8 million annually.

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For the Daily Record/Sunday News

Article Last Updated: 04/18/2008 02:02:16 AM EDT

After years of negotiations, Peach Bottom Atomic Power Station owners have agreed to pay South Eastern School District more than \$1.8 million annually.

The agreement, which lasts through 2012, includes an \$800,000 payment in lieu of taxes and a tax payment of more than \$1 million based on an assessed value of \$15 million for the plant.

"It's been a long time coming. We're very pleased," Supt. Tracy Shank said Thursday. School board members approved the agreement during a meeting Thursday night.

South Eastern began its legal pursuit of additional tax money from Exelon, which owns the plant, after a tax-law change in 1999 that allowed taxation of utility companies' real estate. Before then, companies paid no real estate taxes to districts or municipalities. Exelon also will pay Peach Bottom Township and York County more in taxes and an annual payment in lieu of taxes, but district solicitor D. Reed Anderson declined to disclose those figures because neither township supervisors nor county commissioners have voted on those agreements.

South Eastern's overall budget for 2007-08 was \$39.9 million, which included a 5.5 percent increase in the property-tax rate. During the eight years of negotiations, Exelon paid the district \$840,000 per year.

Anderson said the settlement is fair given how far apart the two sides were eight years ago. He described the negotiations as "off and on" in part because the company was involved in similar litigation over its Limerick power plant in Montgomery County.

The district watched that case as it passed through the courts and was settled in 2005, he said.

AT A GLANCE

Last time: For eight years, Exelon, which owns Peach Bottom Atomic Power Station, and the South Eastern School District have been negotiating how much the company would pay in real-estate taxes.

The latest: Exelon and the district reached an agreement that Exelon will pay more than \$1.8 million per year.

What's next: The agreement lasts until 2012, when both sides will review the deal.