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Bow repays first \$5.7m in aftermath of losing power plant tax appeal

By MELISSA PROULX - Union Leader Correspondent

BOW — A check for \$5.7 million made out to Eversource earlier this week was the town's first installment to pay the utility back for approximately \$14 million in tax overpayments.

The state's Supreme Court ruled last month that millions of dollars collected in taxes were based on an inflated value of the coal and kerosene-fired Merrimack Station plant.

"We've been working towards this goal for quite a while," said Harry Judd, chairman of the Board of Selectmen, of the first installment.

Merrimack Station was part of a \$175 million sale finalized last week by Eversource, along with other power plants.

Merrimack Station is one of the largest sources of tax revenue in Bow, so plans were put in place to make losing the tax appeal less of a blow to residents. For example, the plant was taxed at the sale price last year rather than the assessed value under appeal.

The town also set aside \$1 million from its 2016 fund balance, Town Manager David Stack said. A budget overlay established by the town generated approximately \$1.3 million, which effectively increased the tax rate about 7.8 cents, adding roughly \$235 annually to a property tax bill for a home valued at \$300,000.

Selectmen took "proactive steps to put some money away to help with this," Stack said. Despite the payout and the balance on the debt to Eversource, the town remains fiscally sound, said Finance Director Geoff Ruggles.

"Even with the payment we made, we will have significant cash to keep things rolling," he said.



Merrimack Station, off River Road, is a coal and kerosene plant that was owned by Eversource. Melissa Proulx/Union Leader Correspondent