

EAST LYNNE #40 SCHOOL DISTRICT

Dr. Dan Doerhoff, Superintendent

24706 S State Rt K, P.O. Box 108

East Lynne, MO 64743

(816) 626-3511

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FILED³

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To: Missouri Public Service Commission

Re: Aquila Power Plant: Chapter 100 financing
Transfer of equipment

By: Dan Doerhoff

Missouri Public
Service Commission

- ⇒ Public schools are funded by tax revenue, primarily from property taxes.
- ⇒ Commercial enterprises, such as utilities, are responsible for a large portion of that property tax revenue.
- ⇒ If the proposed Aquila power plant is valued at \$140,000,000, as represented by Aquila, following is a conservative estimation of **THE YEARLY TAX REVENUE FOR SCHOOLS** from this new power plant alone:

$$\$140,000,000 \times 1/3 \times \$4.6445/100 = \$2,167,433 / \text{year}$$

- ⇒ Missouri law specifies that, "... all property owned or even controlled by utilities will be taxed. ..." [153.030]
- ⇒ Missouri law identifies eligible industries for "Chapter 100" financing and does not mention utilities but does state that the entity taking advantage of Chapter 100 must create at least 100 new jobs, and further states that "Eligible industry" does not include a business which closes or substantially reduces its operation at one location in the state and relocates substantially the same operation to another location in the state. ... [100.710(9)]

(note: Aquila's Davis Rooney stated, July 7, 2004, that there is a question whether Chapter 100 can be applied to the proposed ~~Aquila~~ power plant.)

S. Harper

⇒ **THE NEWLY PROPOSED *Aquila* POWER PLANT MUST NOT AVOID TAXATION!**

- ⇒ The educational community hopes to work closely with the various political subdivisions involved with the proposed power plant to preserve the statutory funding mechanism for public education and to ensure the collective best interests of all effected.

Harrisonville

Public Hearing Exhibit No. 2

Date 3/15/05 Case No. EA-2005-0248

Reporter _____