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DOE

DOE AWARDS BENTON COUNTY PAYMENT FOR PROPERTY TAX COMPENSATION

The U.S. Department of Energy (DOE) today agreed to make payments to Benton County of \$11.2 million in lieu of property taxes for the years from 1988 through 1995. The first payment, approximately \$5.98 million, will be sent to the county within 30 days; the remaining \$5.22 million will be dispersed in two installments by September 1999.

The dollar amount represents payment in lieu of property tax for 128,710 acres of previously privately owned land in the county on the Hanford Site. The U.S. Constitution prohibits the federal government from paying state and local taxes. However, the Atomic Energy Act of 1954 authorized payments to local governments in lieu of property taxes.

In a signing ceremony at the Benton County Courthouse in Prosser, Washington, Hanford Site Manager John Wagoner presented the ceremonial check for \$5,988,000, representing the first payment of the total amount due, to Commissioners Max Benitz, Jr., Chairman, Raymond E. Isaacson, Commissioner, District 1, and Ms. Sandi Strawn, Commissioner, District 3. Wagoner commented that "The Department has worked closely with local staff over the past years to make sure the funds were available and transferred for county use."

Receiving the check on behalf of the county, Max E. Benitz, Jr., Chairman, County Board of Commissioners said, "For many years, Benton County has been working on a settlement with the Department of Energy for Payment in Lieu of Taxes (PILT) through a myriad of negotiations, we have now reached a settlement and are elated that the Agreement can be finalized."

Recipients of the payments will be the Port of Benton, Richland School District, Prosser School District, Kiona-Benton School District, Mid-Columbia Rural Library, Prosser Memorial Hospital, and the Washington State Department of Revenue.

In January 1996, Franklin and Grant counties received similar payments of \$1,502,257.36 and \$4,775,693.33 respectively.

Although continuing annual payments to the counties are expected, actual amounts will be based on their future applications.

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Historical Note: The U.S. Department of Energy's Richland Operations Office owns the 560-square-mile Hanford Site in Southeastern Washington State. Hanford was established during the Second World War as part of the secret Manhattan Project to produce plutonium for the United States' nuclear weapons. Weapons material production stopped in the late 1980s, and the site is now engaged in the world's largest environmental cleanup effort to deal with the legacy of radioactive and hazardous wastes that resulted from the plutonium production era.

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