Times Leader | Casino property tax dispute hits the courts

Written by Administrator Friday, 25 November 2016 16:54 -

WILKES-BARRE — The battle over how much Mohegan Sun Pocono is worth tax-wise is officially moving into the Luzerne County courts.

Mohegan Sun filed the first barrage of paperwork Wednesday, and Wilkes-Barre Area School District Solicitor Ray Wendolowski said the district's paperwork will be filed Monday.

While the ultimate outcome would be a full non-jury trial in which a judge decides assessed value of the sprawling Plains Township property, Wendolowski noted assessment appeals are far more frequently settled sans trial.

"There is always a chance it will go to trial," Wendolowski said. "But I've been involved in hundreds of these appeals and you try very few of them. The vast majority are settled."

At issue is the assessed property value of the casino and related buildings, including the recently-added convention center and hotel. Assessment was a hot button from the start. Failing to agree on a number, taxing bodies and the casino owners, Connecticut-based Downs Racing LP, reached a deal: The casino paid a flat rate each year, unconnected to any property improvements.

The casino paid \$2.9 million to the three property-taxing bodies involved — the school district, the county and Plains Township. The school district got \$2.01 million of that.

But the deal expired at the end of last year. Luzerne County calculated a new assessment value of \$152.5 million. That upped total property taxes to \$3.71 million, with \$2.57 million for the district.

The casino owners and the district appealed, the former insisting it was too high, the latter saying it was too low. In October, the appeal went before the Luzerne County Board of Tax Assessment Appeals, but both sides asked the board to deny their appeals, effectively bypassing the board and sending the case to court.

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Wendolowski said the deadline to file paperwork in the case is Wednesday, but after that "There are no milestone deadlines."

The next step is for each side to hire an appraiser and get a market value of the property.

Wendolowski said Mohegan Sun has already done that, but that the appraised value is not yet public record. The district will hire its appraiser in the near future, he added.

While the stakes are high, the courtroom drama is not, at least not yet. Wendolowski dubbed the procedures so far as predictable. "It's moving as it should be," he said.

The real question may be how probable a settlement is, and that can't be guessed at until the two sides start talking about the option.

"I'm sure we'll have some discussion in the near future," Wendolowski predicted.



Mohegan Sun Casino and Hotel in Plains Township. Don Carey Times Leader Photo.

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