

Mediation step called unfair

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Tim Barr, an executive with the company in charge of property reassessment in Luzerne County, objects to the current court process to appeal real estate values and claims it allows “back-room deals” and “favors.”

Cutting deals to reduce property values for some litigants will result in unfair tax hikes on other landowners, said Barr, chief technology officer for 21st Century Appraisals Inc. Barr wants to meet with county commissioners to discuss the court process and resolve a contract dispute with the county board of assessment appeals.

The company has an \$8 million contract to reassess all property in the county for the first time since 1965. Barr insists the county is required to pay 21st Century additional hourly fees — \$250 for legal counsel and \$150 for property evaluators — during court appeals.

County Commissioner Chairwoman Maryanne Petrilla said she doesn’t believe the county is required to use 21st Century’s services during court appeals. David E. Schwager, solicitor of the county assessment board, plans to handle court appeals and use county personnel instead of 21st Century.

But Petrilla said she agreed with Barr’s concerns about a new step in the court process to appeal reassessed values.

“I am still trying to understand the mediation process,” she said.

The judiciary approved the mediation step last week. It’s the first of three steps before a reassessment case gets to a judge. The second step involves a panel of three arbitrators, and the third step involves a court master.

Schwager said mediation will reduce the number of cases that go to arbitration and reduce costs for property owners and the county. By the end of the month, the assessment board could end up deciding more than 14,000 appeal cases. Taxpayers have 30 days to file a court appeal of an assessment board decision, and more than 2,000 court appeals are expected.

Barr said he objects to mediation because it doesn’t involve expert-witness testimony and cross-examination.

“Mediation short circuits any hearing,” Barr said. “They intend to settle these cases to make them go away.”

Schwager compared mediation to arbitration and assessment board hearings, explaining they are all less formal than court proceedings and don't have official records.

The extra mediation step could reduce county spending because the prothonotary's office has to pay a three-person arbitration panel a total of \$375 for each hearing. Landowners also have to pay an extra \$51 to take a case to arbitration.

"To reduce costs by giving away the store is not the answer because it hurts other taxpayers," Barr said.

Reducing assessed values and the tax base raises the property tax rate set by taxing bodies — the county, school districts and municipalities.

Petrilla said the mediation step was "rammed down our throats" and is another "hardship for taxpayers" who will "miss time from work" to attend a mediation session.