

# **Bond Case Briefs**

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## **TAX - CONNECTICUT**

### **Town of Ledyard v. WMS Gaming, Inc.**

**Supreme Court of Connecticut - April 21, 2021 - A.3d - 2021 WL 1567671**

Town brought action to collect unpaid personal property taxes for gaming equipment that was owned by company and that was leased to tribal nation for use in its gaming operations. Action was stayed pending the outcome of action in federal court in which tribal nation challenged state's and town's authority to tax the equipment.

After federal proceedings concluded, parties executed a stipulation that company would pay all outstanding taxes, accrued interest, and penalties, and that town was entitled to attorney's fees and costs incurred in state action.

Town and company filed motions for summary judgment as to company's liability for attorney's fees with respect to the federal action. The Superior Court denied company's motion and granted town's motion. Company appealed before a ruling on town's motion for attorney's fees. The Appellate Court granted town's motion to dismiss appeal on the grounds that there was no appealable final judgment. The Supreme Court reversed and remanded. On remand, the Appellate Court reversed and remanded. Town petitioned for certification, which was granted.

The Supreme Court held that federal action was "as a result of and directly related to" state collection proceeding, allowing award to town of attorney's fees incurred in federal action.

Federal action in which tribal nation, as lessee of gaming equipment, challenged town's authority to tax the equipment was "as a result of and directly related to" town's state court action against equipment owner to collect delinquent personal property taxes for the equipment, allowing award to town of attorney's fees incurred in federal action, even though equipment owner was not formally a party to federal action, where federal action was commenced after town initiated state collection proceeding, and federal action was commenced for purpose of challenging town's authority to pursue state collection action.