

## **Palm Beach County property appraiser slammed for huge boosts in assessments**

By Josh Hafenbrack  
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Palm Beach County commissioners Tuesday urged Property Appraiser Gary Nikolits to take a more lenient approach to assessing property, particularly when it comes to the tax-squeezed marine industry.

Appearing in a packed County Commission chambers, Nikolits and commissioners had mostly cordial exchanges, but the appraiser didn't budge on his approach to placing a taxable value on properties. He maintained he's merely following the law, and that his assessments reflect market prices for homes and commercial properties.

Both sides agreed on a long-term solution for marina owners: a constitutional amendment giving them a special tax status, like the designation given to agricultural properties.

Nikolits laid the blame on taxing authorities -- local governments, the School Board and scores of special districts -- that haven't cut back tax rates as values soared. Taxable values spiked more than 20 percent across Palm Beach County this year, capping a five-year wave of double-digit yearly value increases.

"The problem with taxes didn't just begin this year," he said. "Since the beginning of the real estate boom, I've been warning every group I've been speaking to that unless taxing authorities ... change their spending habits, the day would come when there would be a tax revolution by the owners of properties not protected by the Save Our Homes amendment. Sadly, that day appears to have arrived for the marine industry and many others."

Save Our Homes restricts taxable value from rising more than 3 percent a year on residences with homestead exemptions, but it doesn't apply to vacation homes, rentals and commercial properties.

A week after pointedly criticizing the property appraiser, commissioners Tuesday took a more subdued approach, making sure to note that Nikolits is "doing your job to the best of your ability," as Chairman Tony Masilotti put it.

But Commissioner Warren Newell maintained that Nikolits could mitigate rising property assessments by using factors other than the market value of the land, such as income generated from its current use. He pointed to Broward County Property Appraiser Lori Parrish, who employs alternative approaches to assessing affordable rental properties and some waterfront facilities that can slow the growth in taxable value.

"There's a lot of discretion in the appraisal process," Newell said. "There is discretion, there is latitude."

Nikolits shot back that Parrish has "no appraisal background whatsoever. If she chooses to violate state statutes and nobody calls her on it, that's her privilege. But I took an oath of office."

State law requires appraisals to come in at the "highest and best" use of a property, Nikolits said. That means if a marina could fetch a premium on the condo market, the assessed value must reflect that, he said.

Parrish said she strives to take a taxpayer-friendly approach and stay within the laws. As for Nikolits' comments, she said: "He can say what he wants to say. I may not have the years or experience he has, but sometimes it's good to have a fresh approach and not be stuck in your ways."

At Tuesday's meeting, the Palm Beach Yacht Center in Hypoluxo was used to illuminate the problem facing marinas. The 12-acre property got a \$28 million assessment this year -- a more than fourfold increase from last year's \$6 million.

Nikolits said this assessment increase, and those at other marinas, reflected sale prices in late 2004 and 2005, when some marinas were sold to condo developers and the "Intracoastal [Waterway] real estate market went nuts. Buyers just couldn't pay enough."

But owner Lee Berman told commissioners he couldn't raise the rent on his boat slips enough to offset the tax increase.

"If I'm going to have to come up with another \$500,000, we can't stay in business," he said.