

Marine industry tackles regional problems

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A regional marine group is working with the government to try to improve water access, lower property taxes, counteract high-priced or nonexistent insurance and stay in business.

The \$13.6 billion local industry has said dwindling water access for marine uses has been a top priority for years, but the situation has recently become worse because of residential development and rental docks converting to condo docks.

To help fix that, the marine group decided it would encourage public investment, persuading the Department of Transportation to remove obstacles like fixed bridges and power lines from canals that could have marine access.

To address growing property taxes, especially in Palm Beach County, the marine group decided to pursue a constitutional amendment or legislative action to be assessed consistently throughout Florida based on current usage.

That is because Palm Beach County Property Appraiser Gary Nikolits appraises property by its highest and best use, so if a marine could be developed as 80 condos, that's how it must be valued.

The county proposed property taxes of \$7.9 million on all working waterfronts in 2006, up from \$3 million the year before, Palm Beach County Commissioner Warren Newell said.

Several large waterfront land sales in 2005 caused the higher appraisals, Nikolits explained.

Working waterfront property taxes haven't increased as dramatically in Broward County, where property appraiser Lori Parrish said she taxes marinas based on their current uses unless there's a land use change.

She recently asked the state Department of Revenue whether her way or Nikolits' way is correct, and the state replied that property appraisers have the leeway to interpret the law as they see fit.

The marine industry group said it will continue to press a bill in the Florida house to allow municipalities and counties to let marina owners defer 20 percent of their property taxes until they change the use of the property or sell it.

To counteract prohibitively expensive or unavailable insurance for working waterfront - even more difficult for docks - the marine group suggested forming a national catastrophe fund for working waterfront using a marine fuel tax or a surtax on boat slip charges.

The group also said it wants marinas to have more time to fix storm damage.

The issue also impacts boat retailers as getting insurance for boats has made ownership too expensive or too risky for many buyers. One salesman said he knows someone with a \$2 million yacht that is uninsured because coverage was not available.

Florida is too large a market for boating for insurance companies to stay out of, said Jesus Remon, of Customers Rule Insurance Agency, of Miami. The industry needs to develop standards for securing boats during storms that could ease insurers' fears of another hurricane season of devastated boats, he said.

Marine properties throughout South Florida are also facing development pressure, as publicly owned marinas see governments buy residential development rights. Palm Beach County is already using a \$50 million bond issue to preserve marine access and is also considering adding more boat slips and trailer parking to county parks.

"For government, it's a lot of money to spend, but it's very damaging to lose marine businesses," Newell said.

Industry leaders also said they will seek a discounted tax classification for marine businesses similar to the agricultural property tax benefit.