

Palm Beach County property assessment appeals rise 150 percent

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Palm Beach County's Value Adjustment Board might handle property tax appeals differently this year.

The board on Tuesday is expected to address a possible closer look at a special magistrate's findings on appeals, ordering hearings, or hearing of cases, according to county attorney Paul King.

"In the past, they've never done this," King said this week. "They've always accepted the recommendation of the special magistrate."

But the number of Palm Beach County residents appealing their property assessments shot up nearly 150 percent this year — a sign of rebellion over fast-rising property tax bills faced by new homebuyers and people not protected under Florida's homestead laws.

This year, 10,300 property owners petitioned the Value Adjustment Board over their property appraisals or homestead status, according to preliminary figures released Monday from the County Clerk's Office.

A majority — 5,461 — argue the property appraiser inflated values.

County property values grew 24 percent this year, the fifth straight year of double-digit increases. The latest surge reflected the 2005 real estate market, the peak of South Florida's boom.

Palm Beach County Property Appraiser Gary Nikolits said that, in appraising properties, he has to consider eight factors, including income and the highest and best use. He then bases the appraisal on the area that produces the highest potential value.

He's abiding by state law, he said.

But Broward County bases its appraisals on income, thereby also creating a market for affordable housing.

"Appraisers can value properties different ways," King said, after having met with the Broward County Property Appraiser's attorney. "The only thing is you can't have appraisers in the same county value (properties) with a different approach."

In other words, an appraiser basing values on income would have to do the same for all residential and commercial properties within the county.

"Neither (appraiser) is wrong," King said. "They look at it differently."

"If (the property appraiser) goes by the letter of the law, you have to look for any loopholes to see if there's any way we can help the people," said County Commissioner and Value Adjustment Board chair Burt Aaronson.

Marina owners accounting for a good number of property tax appeals have been providing Nikolits detailed information about their individual sites as a means of getting their property values, often based on the potential for waterfront condominiums, adjusted.

Some of the sites feature areas of contamination, while others have restricted uses placed upon them by municipalities, Nikolits said.

The marina owners also are arming the property appraiser with case law and facts supporting different appraisal methods.

"I don't think the property appraiser's (office) had all the information it needed," Raymond Graziotto said.

Graziotto co-owns Loggerhead Clubs and Marinas from Miami to Vero Beach and chairs a recently formed Save Our Working Waterfront group of Palm Beach County marine industry representatives protesting rising property taxes.

The County Commission on Tuesday is expected to schedule the first of two required public hearings on an ordinance that allows certain commercial and recreational working waterfront property owners an opportunity to defer paying property taxes at a maximum 9.5 percent annual interest rate.

"It's a good first step in the right direction," Graziotto said. "But the county taxes that can be deferred are only 20 percent of the total tax bill. I don't know if that's going to give marina owners incentive to do it."

Municipalities can enact the same ordinance, said Nikolits who is working with the Lee County property appraiser on wording for a 2008 ballot that would allow for homestead exemption portability.

Through Florida's Save Our Homes act, homesteaded properties taxed at a value discounted by \$25,000 cannot increase by more than 3 percent in value per year. The law, enacted in the 1990s, applies only to primary residences — not businesses or rental properties.

"Maybe in 2008 it's going to be 'Save Our Businesses,'" Nikolits said, noting he thought the 1990s act in Florida should have been similar to California's Proposition 13 and a cap that applies to all properties.

Sun-Sentinel reporter Josh Hafenback contributed to this report.