



Market Outlook

Florida marine businesses unite to fight tax increases

Boating Industry

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RIVIERA BEACH, Fla. – Owners of eight marine companies owners in Palm Beach County, Fla., have banded together to protest dramatic tax increases that are threatening to put them out of business.

Working in conjunction with the Marine Industries Association of Palm Beach County, the group, known as "Save the Working Waterfront of Palm Beach County," formed in September after being notified of the dramatic escalation in their current 2006 tax bills. Those increases, in some cases, are approaching 400 percent, representatives of the group reported in a press release.

In September 2006, the *Palm Beach Post* sampled 11 Palm Beach County marinas and reported notable one year 2005-2006 tax increases of 130.5 percent, 159.7 percent, 164.2 percent, 204.7 percent, 301.8 percent, 322.3 percent, and 351.0 percent.

"Save the Working Waterfront of Palm Beach County," is being spearheaded by chairman Raymond Graziotto, co-owner of the Loggerhead Club & Marina, a brand of eight South Florida marinas (four in Palm Beach County) currently open to the public.

"We're being put out of business," Graziotto said. "That sound you hear is the gate swinging, soon to be closing on Florida's working waterfront."

In the recent past, Palm Beach County Commissioners made access to Florida's waterways a priority, and in 2004, the voters responded, passing an initiative approving a \$50 million dollar bond aimed at preserving access and retaining over two billion dollars of annual positive economic impact for Palm Beach County.

Yet, marina owners continued to be taxed on what a property might be, not what it currently is. Rather than being taxed on a business that sees revenue as monthly income from slip rentals, marinas are being taxed on speculation as to their potential for high-rise development, or for sale as privately owned dockominiums, according to the release.

Responding to exorbitant tax escalations, the group has hired a real estate appraiser and a land use expert to challenge the way their properties are appraised, and are using the \$80,000 in seed funds raised by the original eight marinas in the group towards bringing in a tax lawyer, lobbyists and state law experts to craft and present a tax relief plan to Florida legislators.

Several marine owners are also filing appeals. In 2005, Florida allowed counties to permit tax deferrals for privately owned, but publicly accessible waterfronts that are currently operating or being rehabilitated. The law sought to prevent the forced sale of waterfront property because owners can't pay or continue to pay skyrocketing taxes.

Tax deferrals, passed elsewhere, are not yet allowed for Palm Beach County. Even if deferrals are passed in Palm Beach County, marina owners say, at up to a 9.5 percent interest on owed taxes per year, it simply delays the inevitable – the closing of business that cannot remain profitable.

"If state law allows the property appraiser to speculate value based upon what a property might be worth as some more luxurious use other than a marina, then the law must be changed," Graziotto said. "It is urgent that others join the effort," he adds. "Without change in the law, the taxes will force marina owners to sell."

The group will attend the Palm Beach County Commission meeting tonight where Palm Beach County Property Appraiser, Gary Nikolits will speak about how waterfront property is valued.

Ray Graziotto, and the Save Our Working Waterfront of Palm Beach County representatives, will speak at the start of the meeting.

"We're asking that all interested boaters and waterfront enthusiasts attend this meeting," Graziotto said.