



## **Waterfront Property Tax Issue**

*M*ARINE INDUSTRIES ASSOCIATION OF PALM BEACH COUNTY

### **Position Paper on Waterfront Property Tax Issue**

Property valuations rose dramatically for most marina properties in Palm Beach County in 2007 and 2008. Based on recent waterfront property sales, the Palm Beach County Property Appraiser applied the “highest and best use” approach to marina properties, based on conversion of the assets to other uses, such as high-rise residential condominiums, which, in most instances, is not immediately foreseeable. This resulted in tax bills for some marinas increasing by more than 200 percent. This crisis threatens to put many of the county’s marinas out of business.

An ad hoc group of marine industry leaders formed a coalition to address these problems in the county. The Marine Industries Association of Palm Beach County joined this group and, together, they helped establish and fund the Save the Working Waterfront Committee (SWWC). The SWWC presented the issue to the Palm Beach County Board of County Commissioners. In addition, the SWWC held an ongoing dialogue with the Property Appraiser’s Office to provide case law and business income data to explore a reduction in the skyrocketing property valuations. As part of this process, the SWWC hired attorneys, land use planners and private appraisers to research the issue and provide valuable data to those marina property owners appealing their valuations.

MIAPBC also worked with the Palm Beach County Board of County Commissioners to implement the “local option” element of a legislative rule which establishes a local tax deferment option to marina and boatyard owners in Palm Beach County. The tax deferment option, now available in Palm Beach County, allows

owners of working waterfront businesses to delay paying a portion of their property taxed, so long as they keep the waterfront business in operation on the property. Once the business is sold or changed to another use, the deferred taxes must be paid.

In addition, the MIAPBC and the Marine Industries Association of Florida worked with the Governor’s Office, and the Legislative Leadership to pass legislation placing a constitutional amendment on the November 2008 ballot which, if approved by 60 percent of the voters, will mandate that marinas and boatyards be assessed and therefore taxed based on their ongoing business, not on other methodologies, such as “highest and best use.” MIAPBC is now working to assure passage of this constitutional amendment which will help preserve working waterfront businesses which are a critically important part of the \$2 billion Palm Beach County marine industries, contributing to the \$18 billion industry statewide.

The Marine Industries Association of Palm Beach County is a not-for-profit organization created to promote and protect the sound growth of the marine industry in Palm Beach County for the benefit and education of its members, the community, and the environment. It provides a strong and respected voice on issues related to the \$2 billion marine industry in Palm Beach County.

For more information, contact the Marine Industries Association of Palm Beach County at 561-832-8444 or visit [www.marinepbc.org](http://www.marinepbc.org)