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## Office Mogul Franklin Haney Gets New Chance to Fight Mansion Tax

by Samantha Joseph

One of the country's wealthiest real estate moguls, Franklin L. Haney, won a little and lost a little in the latest round in a South Florida legal spat over taxes on his multimillion-dollar Manalapan mansion.

Washington, D.C.-based Haney, who amassed his fortune by building federal offices, is now fighting a public agency over his tax bill. He's litigating against Palm Beach County Property Appraiser Gary Nikolits in a case that reached Florida's Fourth District Court of Appeal.

The question: What's the value of Haney's 34,086-square-foot mansion on nearly 4 acres that last sold for \$23.5 million in March 2008?

The answer meant a difference of about \$90,000 per year on Haney's tax bill.

"While we are disappointed with the reversal, we are pleased that the Fourth DCA recognized that taxpayers have a right to due process before the Value Adjustment Board," said Haney's



MELANIE BELL

"The homeowners had the right to challenge the corrected valuations as being greater than market value, of which right they were deprived," Fourth DCA Judge Martha Warner wrote in a unanimous decision.

attorney, Stephanie L. Serafin of the Law Office of Kreuzler-Walsh Compiani & Vargas in West Palm Beach.

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### HANEY

The dispute stems from the appraiser's office setting a market value of nearly \$19.8 million in 2010 on the Haney property.

Haney, a major Democratic donor, is an attorney who served as legislative assistant to U.S. Sen. Al Gore and assistant general counsel to the Tennessee Public Service Commission. His company, Franklin Haney Co., is credited with redeveloping the Penn Quarter in Washington.

He and his wife, Emeline, succeeded in a challenge before the county's Value Adjustment Board, which reduced the assessed value to \$12 million. The couple argued the real estate downturn slashed their home's worth and secured a cap un-

der Florida's Save Our Homes measure, which limits tax increases on homesteads.

Nikolits' office recertified the tax roll based on the lower value but challenged the board's decision in a suit before Palm Beach Circuit Judge Edward L. Artau. While the case was pending, the office issued Truth in Millage, or TRIM, notices that levied taxes based on values ranging from about \$17.9 million in 2011 to more than \$19.6 million in 2013.

Artau rejected both sides' numbers and placed the market value at \$17.5 million. Neither party appealed.

But Haney was still on the hook after the appraiser's office applied the circuit court's number to bills dating back to 2010, adding more than \$90,000 in taxes due for each of the three years in dispute. He filed an action

for declaratory judgment before Artau.

The agency argued its revision "constituted a mathematical correction" allowed under Florida law, according to court documents.

But the circuit judge rejected the argument and found the appraiser's office violated due process by not allowing Haney an opportunity to challenge the revised bill.

That decision prompted Nikolits' appeal to the Fourth DCA.

"We agree that the statutes and rules allow for corrections to subsequent years' values, which constitute mathematical corrections. However, the homeowners had the right to challenge the corrected valuations as being greater than market value, of which right they were deprived," Fourth DCA Judge Martha Warner wrote in a unanimous de-

cision May 31 with Judges Jonathan Gerber and Jeffrey Kuntz concurring. "We thus reverse and remand to allow for the correction of the valuations and also for new notifications to allow the homeowners their right to petition the Value Adjustment Board to contest the new valuations."

Serafin teamed with colleague Jane Kreuzler-Walsh and Christopher M. Larmoyeux of Larmoyeux & Bone in West Palm Beach to represent the Haneyes.

Neil B. Jagolinzer and Jeffrey M. Clyman in West Palm Beach represented the property appraiser.

Assistant Attorney General Jeffrey M. Dikman filed an amicus brief on behalf of the Florida Department of Revenue.

Contact Samantha Joseph at [jsjoseph@alm.com](mailto:jsjoseph@alm.com). On Twitter: @SJosephWriter