



# LES COOK, CFA

## CITRUS COUNTY PROPERTY APPRAISER

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### PROPERTY APPRAISER ANNOUNCES SETTLEMENT OF DUKE LITIGATION

Property Appraiser Les Cook announced today that a settlement was reached with Progress Energy Florida (Duke Energy) that with court approval will end 15 months of costly litigation over the 2012 and 2013 assessment rolls and provide stability to the assessment roll for 2014 without the threat of litigation. After being appointed Property Appraiser on January 6th Mr. Cook made it his first priority to take a fresh look at all that has transpired in this case. With formal mediation being planned and a trial date set for May 19<sup>th</sup> he started an early dialog with Duke Officials to explore a possible resolution.

After several conferences in person and by phone and the exchange of appraisals from both sides, an agreement was reached on overall assessed values for the 2012, 2013, and 2014 assessment rolls. Appraisals from both sides were reviewed as a basis for allocation to individual parcels.

The decision to settle this case was driven by several factors along with the Property Appraiser's judgment as to the potential for a larger return with further costly litigation versus the potential risk of a negative result. Some of the factors that weighed heavily on the decision to settle were:

**The first two rulings were negative to our position. The additional judicial statements in those rulings and from the bench were not encouraging.** It was apparent that no further challenge to the constitutionality of the pollution control statute would occur and our office would need to apply this statute. This application, if applied consistently with methodology utilized by other Property Appraisers across the state, would result in a significantly lower value for the pollution assets.

**The fact that other counties are utilizing a different methodology than the one we are promoting in this litigation.** Continuing the fight places Citrus County with limited resources out on the front lines trying to argue for a separate valuation method.

**Even with some success at trial on the valuation issue, a lengthy appeal process would likely follow with additional costs, no immediate revenue, no end in sight and the risk of a negative outcome.**

**1.420 million dollars spent to date on pre-trial expenditures and the strong desire to protect our taxpayers from additional expenditures related to the litigation.**

**The potential for continued disruption to the budgeting processes along with continued unrecoverable revenue loss to our school system, estimated through 2014 at 10 million dollars.**

**Opposition to our positions by the Department of Revenue as represented by the Attorney General's office.**

Our county benefited from special circumstances due to the 1998 favorable Circuit Court ruling that led to a higher valuation in the past on the utility company's pollution control assets. That decision has now been superseded and in my opinion the higher 2012 and 2013 valuations run the risk of not being legally supportable. This decision to forgo a trial and discontinue litigation was not easy recognizing the additional burden being carried by our property owners, but the risk of additional costs with no return was not acceptable.

While the final settlement will provide some additional revenue above the good faith estimates to taxing authorities, the primary benefits will be stability of taxable values for budgeting, the end to litigation with one of our largest employers and investors and the rebuilding of a working relationship that will provide for future agreements without the need for litigation.

03/18/14