

Hotel Ruling Could Save Disney World Millions in Taxes

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The Walt Disney World Resort has won its latest legal battle that will save the company — and potentially many other big hotel owners — **millions of dollars** in property taxes.

The years-long dispute began in 2015 when the Orange County Property Appraiser increased its assessment of Disney's Yacht & Beach Club Resort by 118%, resulting in an assessed value of nearly \$340 million and an annual property tax bill of more than \$4 million.

Disney challenged the assessment, and on [June 19, 2020](#), Florida's Fifth District Court of Appeal concluded that by following the popular "Rushmore method" of appraisal, the property appraiser "impermissibly included the value of Disney's intangible business assets in its assessment." The court ultimately concluded that the widely used Rushmore methodology **violates Florida law**.

This decision will likely prompt other hotel companies to file appeals in an attempt to receive similar treatment. According to the *Orlando Sentinel*, Disney is already challenging the appraisals of 10 of its other hotels.

Although a huge win for the lodging industry, the ruling will negatively impact the tax rolls for local governments and school districts, as property taxes are their greatest revenue source.

It is unclear whether the appraiser's office will request a rehearing or appeal to the Florida Supreme Court. If the ruling stands, we expect to see many other hotel owners challenging their tax appraisals.

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