

# Judge holds up Scientology auction

## Court to decide whether church has to pay taxes

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CLEARWATER — A judge has decided to stop the auction of Church of Scientology property until a court can decide whether the church has to pay the taxes.

The church and the Pinellas County property appraiser have disagreed for years about whether the church, which has its spiritual headquarters in Clearwater, must pay taxes on the property it owns in the county.

The property appraiser's office has sent the church tax bills every year and the church has refused to pay them.

The church has taken the property appraiser to court, saying that it is a religious organization and, therefore, exempt from paying property taxes.

"They have to prove two things to be exempt," said Chief Assistant County Attorney Helen Hobbs, "That they are a religion and that they are non-profit."

In June, the county told the church that if it did not pay its tax bill for 1986, five of its

properties in downtown Clearwater would be auctioned to the highest bidders.

Scientology lawyer Paul B. Johnson of Tampa asked Circuit Judge R. Grable Stoutamire to stop the sale of the property until the church's

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case against the county is decided. Stoutamire heard the request July 5.

"I announced at that hearing that I would sign such an order," Stoutamire said.

Johnson did not return the *Times'* telephone call Thursday.

The county says that the church owes \$3.4-million in property taxes since 1982. The church owns 122 properties in Clearwater worth

\$21.5-million, according to the property appraiser's office.

When property taxes are not paid, the tax collector files liens, or legal claims, against the property. The liens are sold each year at auctions in which investors bid an interest rate they want in return for paying the tax.

Investors make their money when the property owner pays the taxes and interest to the county, and the county in turn pays the investors. If two years pass and the property owner still hasn't paid the taxes, the investors can ask the county to auction off the property.

Court injunctions kept the county from selling tax certificates on Scientology property for several years, but in 1986 those injunctions were lifted.

Two Seattle investors, Walter D. Palmer and John G. Ritchie bought the liens on five pieces of property owned by the Church of Scientology. When the two-year time limit was up they asked the county for their money on May 30.

That's when the county told the church that if it did not pay \$51,058 it owed for 1986 taxes on the five parcels, the land would be auctioned to the highest bidder.

— Staff writer Stephen Koff contributed to this report.