



## Legislation Text

---

**File #:** Res 0090-2006, **Version:** A

---

### Res. No. 90-A

Resolution calling upon the State of New York to end the real property tax exemption granted to Madison Square Garden (“MSG” or the “Garden”) so that the revenue raised from putting MSG back on the City’s property tax rolls can be used to provide City services or tax relief to City residents.

By Council Member Sears, Fidler, Gentile, Mark-Viverito, Weprin, Nelson, Avella, White Jr. and Gallagher

Whereas, Madison Square Garden is a facility located in the City of New York used for sports, entertainment, expositions, conventions and trade shows; and

Whereas, The Garden and its owner, Madison Square Garden, L.P., claim to host over 500 events annually, including concerts, theatrical productions, ice shows, the circus and much more in its arena and theater and, according to the Independent Budget Office (IBO), collects both rent and concession revenue and cable broadcast advertising; and

Whereas, The Garden was granted a full real property tax exemption by the State of New York in 1982, pursuant to section 429 of the State Real Property Tax Law (the “Tax Exemption”) to help ensure that the Garden would continue to be the home of the City’s major league hockey and professional major league basketball teams and thereby bring economic benefits to the City of New York; and

Whereas, Section 429 of the Real Property Tax Law specifically states that the Tax Exemption “shall continue with respect to such property as long as both of said teams play there home games therein” and “[i]f one of or both of said teams shall cease to play their home games in said property at any time, the tax exemption .... shall cease immediately and such property shall immediately be restored to the tax rolls and thereupon become subject to taxation”; and

Whereas, In July 1998, the National Basketball Association (NBA), representing the owners of 29

professional basketball teams in the US and Canada -- including New York's Cablevision Systems which owns the Garden and the New York Knicks basketball team, locked out the 400 members of the Players Association, which reduced the NBA season from 82 to 50 games; and

Whereas, In 1994 and 2004, the owners of the National Hockey League ("NHL")--including New York's Cablevision Systems which owns the New York Rangers-- locked out their players for 103 days and 310 days, respectively, forcing the cancellation of 468 games during the 1994-1995 hockey season and the entire 2004-05 hockey season; and

Whereas, These actions may have arguably violated the purpose and/or the terms of the Property Tax Exemption and the Department of Finance should review these actions to see if any further action is appropriate; and

Whereas, Other privately owned sports arenas built in recent years in other major cities, according to the IBO, generally do pay real property taxes - as did MSG from 1968 when it opened until 1982; and

Whereas, According to Council Finance, the cost of the current MSG property tax exemption, or amount of foregone taxes to the City, for Fiscal 2008 is nearly \$11 million; and

Whereas, The \$11 million generated by returning MSG to the City's property tax rolls can be used to help fund important services or to offer tax relief for City residents; and

Whereas, It is only fair that a large profitable institution such as MSG contribute its fair share, especially when ordinary New Yorkers are called on to do the same and in times of economic hardship are prevailed upon to bear an even greater burden; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the State of New York to end the real property tax exemption granted to Madison Square Garden so that the revenue raised from putting MSG back on the City's property tax rolls can be used to provide City services or tax relief to City residents.

AB  
Res. 90-A/Amendment/2008