CURTIS SLIWA'S PROPERTY TAX REFORM PLAN

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1. EXECUTIVE SUMMARY

The main objective of Curtis Sliwa's Property Tax Reform Plan is to deliver a fair, efficient, and transparent property tax system to New York City. Remedying decades of tax inequality, this plan eliminates unfair tax benefits and ensures that New York City's low- and middle-income communities are no longer forced to subsidize the City's wealthiest residents and neighborhoods. As the boldest tax proposal of any mayoral candidate in recent history, this plan will finally deliver the tax equality and fairness that has eluded New York City since the 1980s. By finally making private, wealthy universities and landlords pay their fair share, I will create millions of dollars in new tax revenue that refunds our police department and delivers economic relief to low- and middle-income NYC residents, while keeping NYC's budget balanced. I am proposing the following major reforms to NYC's property tax system:

1) 2% Property Tax Cap: Implement a 2% Cap on NYC's Annual Tax Levy

2) Market Value Assessments: Value and Assess all Residential Properties and New Construction Based on Actual Fair Market Value

3) Tax Exemption Efficiency Review: Launch a Comprehensive Review of All Properties Receiving Property Tax Exemptions to Ensure NYC's Tax Expenditures are Being Spent Efficiently; Implement Reviews Every 10 Years

4) Eliminate University Tax Privilege: Require That Wealthy, Private Universities, Colleges, and Hospitals Pay Their Fair Share in Property Taxes

5) Eliminate MSG's Tax Privilege: Eliminate Madison Square Garden's Property Tax Exemption (Estimated at $42.4 Million/Year)

6) Supporting Our Seniors: Provide a Property Tax Deduction for Seniors with Household Income Below $75,000

7) Octennial Efficiency Reviews: Institute a Comprehensive Review of NYC's Property Tax System Every 8 Years to Ensure It Stays Fair, Efficient, and Transparent

2. OVERVIEW OF NEW YORK CITY'S CURRENT PROPERTY TAX SYSTEM

Under New York City's property tax system, low- and middle-income New Yorkers are shouldering a larger burden of property taxes than the City's wealthiest residents. Comprising about 45% of NYC's tax revenue, property taxes are vital to funding public education, public safety, city infrastructure, and many other City services.[1] In light of the COVID-19 pandemic, and lower projected revenues from income and sales tax, property taxes are expected to comprise up to 50% of the City's annual tax revenue in the coming years.[2] Every year, the New York City property tax rate is determined through the New York City Budget Process.[3] The NYC property tax rate has consistently been 12.283% since 2009.[4] This tax rate is a weighted average of the individual tax rates of each of the four property classes based on each class's share of the tax levy. Accordingly, the NYC tax rate of 12.283% does not actually apply to any individual. Rather, each property class has its own tax rate.

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[1] https://www1.nyc.gov/assets/propertytaxreform/downloads/pdf/NYC-AdvCommission-Prelim.pdf (page 9).

[2] George Sweeting, deputy director of the city Independent Budget Office, a fiscal watchdog agency. https://www.bloomberglaw.com/product/tax/bloombergtaxnews/daily-tax-report/X7GNBNG0000000?bna_news_filter=daily-tax-report#jcite

[3] https://www1.nyc.gov/assets/propertytaxreform/downloads/pdf/NYC-AdvCommission-Prelim.pdf (page 30) (citing New York City Charter. Section 1516).

[4] The NYC property tax rate does not frequently change. "In recent history, the City raised the rate from 10.366 percent to 12.283 percent (or, equivalently, to $12.283 per $100 of AV) in January 2003. The rate was lowered to 11.423 percent for New York City Fiscal Year (FY) 2008 and raised back to 12.283 percent in the second half of FY 2009 (January 2009). It has not changed since." *Id.* at 30-31.

First implemented in 1981, New York City's property tax system designates four property classes: one-to-three family homes ("Class 1");[5] larger residential buildings (including rentals, coops, and condominiums) ("Class 2"); utilities ("Class 3");[6] and commercial property ("Class 4").[7] These property classes ultimately dictate the tax rate for a particular property, regardless of the property's location in New York City. These classes share the burden of New York City's tax levy, roughly proportionate to their share of actual market value.[8] Annually, in response to changes in market value, the "class shares" are adjusted based on changes in each class's share of market value. Class shares are also adjusted in response to property changes, like new construction, demolition, and property reclassification. Along with market-based and physical adjustments, the New York State Legislature has also frequently shifted tax liabilities among classes. [9] The class-specific property tax rates for the past two years were:

[5] "Class 1 originally consisted of 1-3 family homes, but over time, small condo developments and other property types were added by statute, including some types of mixed-use properties, bungalows and vacant land." *Id.* at 26.

[6] "Class 3 includes property of regulated utilities and special franchise properties they hold, such as cable television providers that place their equipment on or under City streets." *Id.*

[7] Act of Dec. 3, 1981, ch. 1057, 1981 N.Y. Laws 219 (McKinney). Class 4 consists of all other properties, which range from gas stations and stores, to factories and warehouses, to hotels and office skyscrapers. *Id.*

[8] *Id.*

[9] Pursuant to New York's municipal home rule law, New York State maintains authority over any significant alterations to New York City's tax system. https://www1.nyc.gov/assets/propertytaxreform/downloads/pdf/NYC-AdvCommission-Prelim.pdf / https://www1.nyc.gov/assets/propertytaxreform/downloads/pdf/NYC-AdvCommission-Prelim.pdf (page 51).

Fiscal Year 2021[10]

Property Class	Tax Rate
Class 1	21.045%
Class 2	12.267%
Class 3	12.826%
Class 4	10.694%

Fiscal Year 2020[11]

Property Class	Tax Rate
Class 1	21.167%
Class 2	12.473%
Class 3	12.536%
Class 4	10.537%

Given the consistent NYC property tax rate of 12.283%, annual fluctuations in tax bills are actually attributed to fluctuations in class-specific tax rates, which are based on market and assessed value changes. In recent years, the increase in Class 1 tax rates has resulted from declining tax rates for Class 2 and 3 properties. In evaluating the tax rate for a specific class, the following factors contribute to annual changes: the overall tax levy, each class's share of the tax levy, and the assessed value in the class. A historical overview of overall and class-specific property tax rates reflects a significant increase in Class 1 property tax rates over the past fifteen years:

[10] N.Y.C. Dep't Finance, Property Tax Rates, *available at* https://www1.nyc.gov/site/finance/taxes/property-tax-rates.page.

[11] *Id.*

Table 4: Historical Property Tax Rates, FY 2005 – FY 2020

Fiscal Year	Overall	Class 1	Class 2	Class 3	Class 4
2005	12.283	15.094	12.216	12.553	11.558
2006	12.283	15.746	12.396	12.309	11.306
2007	12.283	16.118	12.737	12.007	10.997
2008	11.423	15.434	11.928	11.577	10.059
2009 1st half	11.423	15.605	12.139	11.698	9.870
2009 2nd half	12.283	16.787	13.053	12.577	10.612
2010	12.283	17.088	13.241	12.743	10.426
2011	12.283	17.364	13.353	12.631	10.312
2012	12.283	18.205	13.433	12.473	10.152
2013	12.283	18.569	13.181	12.477	10.288
2014	12.283	19.191	13.145	11.902	10.323
2015	12.283	19.157	12.855	11.125	10.684
2016	12.283	19.554	12.883	10.813	10.656
2017	12.283	19.991	12.892	10.934	10.574
2018	12.283	20.385	12.719	11.891	10.514
2019	12.283	20.919	12.612	12.093	10.514
2020	12.283	21.167	12.473	12.536	10.537

Source: https://www1.nyc.gov/site/finance/taxes/property-tax-rates.page

To temper property tax fluctuations, the NYC property tax system has numerous growth caps and phase-ins.[12] Under this system, the City Council retains the authority to lower or raise class shares—within a 5% limit. The City Council has historically utilized this authority to favor Class 1.[13] Under state law, the New York State Office of Real Property Tax Services (ORPTS) is mandated to adjust class shares based on market value changes every two years. After failing to carry out this responsibility in the 1980s, the market value shares stayed at their 1981 level up until 1989. In 1989, the New York State Legislature recalibrated the class share system by setting Fiscal Year 1990 as the base year for property tax calculations. In effect, this locked in the

[12] https://www1.nyc.gov/assets/propertytaxreform/downloads/pdf/NYC-AdvCommission-Prelim.pdf (page 28-29).
[13] *Id.* at 10.

favorable tax treatment acquired by Class 1 properties over the preceding years. The state law also capped the yearly growth rate of class shares at 5%.[14]

Class 1 properties also received preferential tax treatment through the capping of equalization changes at 6% annually and 20% cumulatively over a five-year period.[15] Likewise, Section 581 of Real Property Tax Law benefits coop and condo owners by mandating that the City treat coops and condos as rental properties for valuation purposes, rather than valuing them based on comparable sold units.[16] Accordingly, to determine coop and condo values, NYC relies on location, size, amenity offerings, and other factors to locate similar rental buildings and relies on those rental buildings' net rental income to value the coop and condo.[17] In practice, this leads to major undervaluation of newer and high-priced coops and condos because there are no similar rental properties that compare to these new, high-priced coops and condos.[18]

Assessed value growth caps were also implemented in the early 1990s to benefit rentals of four to ten units, as well as coops and condos with two to ten units. Applying to equalization changes only (not applicable to physical alterations), these caps limited

[14] Notably, "[t]he City may request legislative authorization from the State to lower the class share cap below five percent and the City Council has the discretion to distribute the excess share to other tax classes." *Id.* at 21, 70.

[15] Equalization refers to "changes in the value of a property as a result of market conditions." *Id.* at 20-21.

[16] N.Y. Real Prop. Tax Law §581(1)(a) (McKinney) ("Notwithstanding any other provision of law, real property owned or leased by a coop corporation or on a condominium basis shall be assessed for purposes of this chapter at a sum not exceeding the assessment which would be placed upon such parcel were the parcel not owned or leased by a coop corporation or on a condominium basis.").

[17] https://www1.nyc.gov/assets/propertytaxreform/downloads/pdf/NYC-AdvCommission-Prelim.pdf

[18] *Id.* ("The IBO estimated that, in 2007, the special valuation method applied to coops and condos resulted in an average market value discount of 77.6 percent." *See* IBO: Twenty-Five Years After S7000A, supra note 9 at 17, 32-33, 43. *See also* https://ibo.nyc.ny.us/iboreports/coopcondo2013.pdf.)

assessed value growth at 8% annually and 30% cumulatively over five years.[19] The New York State Legislature also enacted the Coop-Condo Tax Abatement, which aimed to "better align taxation of Class 2 buildings held in coop or condo form with Class 1."[20] Similarly, New York State tax law is comprised of many other tax exemption and abatement programs that deliver property tax relief to proprietors based on age, income, disability, and veteran status.[21] In promoting economic development and affordable housing, the tax code also delivers tax breaks to businesses and property developers.[22]

In determining the property tax liability of a property in NYC, the Department of Finance (DOF) engages in an eight-step process:

1) DOF categorizes the property within one of the four property classes;[23]
2) DOF estimates the market value as specifically defined under State Law (DOF value) of the property;[24]
3) DOF applies Assessment Ratios to determine Assessed Value (AV); [25]

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[19] https://www1.nyc.gov/assets/propertytaxreform/downloads/pdf/NYC-AdvCommission-Prelim.pdf (page 22).
[20] *Id.* Currently, this abatement is only available to primary resident owners. *Id.*
[21] *Id.*
[22] *Id.*
[23] *See id.* at 26.
[24] "DOF estimates the value of a property through a variety of generally accepted methods, depending upon the type of property. There are four main approaches: 1. Comparable Sales: Determines value based on recent sales of comparable properties. 2. Net Income Capitalization: Determines value based on the ratio between a property's current net income and a capitalization rate, which is designed to approximate an investor's expected annual rate of return on an income-producing property. 3. Gross Income Multiplier: Determines value based on a multiple of gross income. 4. Cost: Estimates value using the value of the land plus the cost of constructing the buildings and other improvements on the land, adjusted for depreciation. This approach is used for utilities. The valuation of special franchise property is determined by the New York State Office of Real Property Tax Services (ORPTS).") *See id.* at 27.

[25] "The calculation of taxable value starts by multiplying Assessment Ratios by DOF value to obtain Actual AVs. The DOF Commissioner has the discretion to set the Assessment Ratios

4) DOF applies Growth Caps and Phase-ins to the AV to calculate Billable AV; [26]
5) DOF subtracts exemptions to arrive at Taxable Billable AV;[27]
6) DOF multiplies Taxable Billable AV by the class tax rate to determine the tax liability; [28]
7) DOF calculates the final tax bill by subtracting tax abatements from the tax liability;[29]
8) DOF administers billing and collection.[30]

Notably, unlike the overwhelming majority of municipalities in New York State, NYC does not have a property tax cap.[31] In jurisdictions with a property tax cap, local governments cannot raise property tax levies over "two percent or the rate of inflation, whichever is less."[32] Also, under New York municipal home rule, any major tax changes in NYC would need to pass the state legislature before implementation.[33]

within each class.44 Between 1991 and 2007 the Assessment Ratio for Class 1 was eight percent; in 2007 the Commissioner lowered the Class 1 ratio to six percent, and it has remained at this level. The Assessment Ratio for all other classes is 45 percent." *See id.*

[26] *See id.* at 28-29.
[27] *See id.* at 29-30.
[28] *See id.* at 30-32.
[29] *See id.* at 32.

[30] *Id.* at 33 (citing N.Y.C. Dep't of Finance, Presentation: New York Property Tax System Background, July 20, 2018, *available at* https://perma.cc/LM2X-FHQP).

[31] https://www.tax.ny.gov/pdf/publications/orpts/capguidelines.pdf (page 1).

[32] *Id.*
[33] https://therealdeal.com/2021/02/12/de-blasio-to-revive-property-tax-reform/.

3. CURTIS SLIWA'S PROPERTY TAX REFORM PROPOSALS

To deliver fairness, efficiency, and transparency, I am proposing the following reforms to New York City's property tax system:

1) 2% Property Tax Cap: Implement a 2% Cap on NYC's Annual Tax Levy

2) Market Value Assessments: Value and Assess all Residential Properties and New Construction Based on Actual Fair Market Value

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7) Octennial Efficiency Reviews: Institute a Comprehensive Review of NYC's Property Tax System Every 8 Years to Ensure It Stays Fair, Efficient, and Transparent

4. *SLIWA'S PLAN IN-DEPTH*: REQUIRING PRIVATE UNIVERSITIES, COLLEGES, & HOSPITALS TO PAY THEIR FAIR SHARE IN PROPERTY TAXES

The Problem

New York City is home to dozens of elite, wealthy private colleges and universities. For decades, these private colleges and universities have enjoyed the full benefit of New York City's public services, booming economy, and rising property values. But during that same span, they have paid little to no property taxes. Pursuant to New York State law, private universities and colleges are exempt from paying New York City property taxes on their real property.[34] As a result of this tax exemption, property tax rates on New York City residents are significantly higher, according to a study by the Lincoln Institute.[35] In 2016 alone, these property tax exemptions resulted in $483 million in lost tax revenue for New York City.[36]

Specifically, NYU and Columbia University are among the world's most elite, expensive, and wealthy universities in the world. NYU boasts a $ 4.7 billion endowment (August 2020)[37], and Columbia University has an $11.26 billion endowment (June 2020).[38] Columbia University and NYU are also the seventh and tenth largest property

34 https://ibo.nyc.ny.us/iboreports/eliminating-or-reducing-tax-breaks-options-march-2017.pdf
35 https://www.lincolninst.edu/sites/default/files/pubfiles/nonprofit-pilots-policy-brief-v2.pdf
36 https://ibo.nyc.ny.us/iboreports/eliminating-or-reducing-tax-breaks-options-march-2017.pdf
37 https://www.nyu.edu/content/dam/nyu/investmentOffice/documents/2020-08-31%20NYU%20Endowment%20Fact%20Sheet.pdf
38 https://www.columbiaspectator.com/news/2020/10/22/columbia-reports-310-million-increase-in-endowment-during-pandemic-while-smaller-schools-flounder/#:~:text=Nevertheless%2C%20the%20value%20of%20the,in%20the%20previous%20fiscal%20year.

owners in New York City, respectively.[39] But NYU pays zero dollars in New York City property taxes[40], and Columbia University paid just around $7 million in property taxes on certain (non-tax exempt) commercial properties in 2019.[41]

Over the past two decades, both NYU and Columbia have greatly expanded their property footprint in New York City.[42] When NYU and Columbia acquire new property, that property is removed from the pool of taxable property, thereby leaving NYC residents to make up the property tax difference. This rapid property expansion by NYU and Columbia has come as a direct result of their property tax-exempt status because they "can extract more economic value out of property than other actors, thanks to all property it buys automatically becoming tax-exempt."[43] NYU recently announced more ambitious property expansion plans throughout New York City in the coming decade, including a 2 million square foot expansion in Greenwich Village.[44] These property acquisitions have led many NYC residents to view universities like NYU as "evil empire[s]"[45] that are "focused on growth for growth's sake."[46] Like NYU, Columbia University also continues to expand its physical footprint throughout New York City

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39 https://archinect.com/news/article/150086537/nyc-s-10-largest-property-owners-controlling-the-city-landscape
40 https://www.washingtonpost.com/news/grade-point/wp/2016/07/08/why-should-rich-universities-get-huge-property-tax-exemptions/

41 https://www.columbiaspectator.com/news/2019/10/24/stacking-up-where-do-columbias-contributions-to-the-community-rank-among-its-ivy-peers/

42 https://observer.com/2006/05/nyu-columbia-make-a-mint-on-real-estate/; *see http://features.columbiaspectator.com/eye/2015/03/25/ties-that-bind/ ; see https://www.gothamgazette.com/index.php/tags-list/1415-nelson-castro*
43 https://observer.com/2006/05/nyu-columbia-make-a-mint-on-real-estate/; http://blogs.reuters.com/felix-salmon/2013/07/08/universities-shouldnt-be-tax-exempt/
44 https://www.wsj.com/articles/nyu-expansion-plan-approved-by-state-court-of-appeals-1435681976; https://nyunews.com/news/2019/03/12/nys-dormitory-donation/
45 https://www.metro.us/more-than-300-people-protest-nyu-expansion-in-greenwich-village/
46 https://www.brickunderground.com/live/tax-exempt-universities

without paying property taxes, while upsetting neighbors and disrupting communities.[47] As these universities continue to expand and exercise their property tax-exempt status, they are directly contributing to a rise in property taxes for low- and middle-income NYC residents.

Along with universities, large hospitals based in NYC enjoy exemptions from property taxes, leading to major increases in property tax rates for NYC residents.[48] In 2016, property tax exemptions for hospitals resulted in $599 million in lost property tax revenue for NYC.[49] Combined, the lost property tax revenue from university and hospital property tax exemptions totals around $1 billion annually.[50] If universities and hospitals were taxed solely on student, faculty, and staff housing, the City could recover $194.6 million (18% of lost total revenue from the tax exemptions).[51] In my Administration, wealthy universities and hospitals, like NYU, Columbia, and Rockefeller, will finally pay their fair share in property taxes.

Implementing Property Tax Reform through a PILOT Program

In other major cities, private universities and hospitals contribute payments in lieu of taxes (PILOTs), even though those same institutions hold property tax-exempt status. Under PILOT programs, tax-exempt institutions make payments to the host City either through voluntary contributions or through legislative mandate.[52] PILOT programs are used in Boston, Philadelphia, New Haven, Hartford, Ithaca, and Cambridge.[53] For example, between university and hospital PILOT payments, the city of Boston generates around $34 million in additional property tax revenue each year.[54]

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[47] https://ny.curbed.com/2018/3/8/17095838/manhattanville-columbia-university-expansion-photo-essay
[48] https://ibo.nyc.ny.us/iboreports/eliminating-or-reducing-tax-breaks-options-march-2017.pdf
[49] *Id.*
[50] *Id.*
[51] *Id.*
[52] *Id.*
[53] *Id.*
[54] https://www.boston.gov/finance/payment-lieu-tax-pilot-program#:~:text=Many%20of%20Boston's%20major%20schools,uniquely%20benefit%20the%20City's%20residents; Another PILOT structure is the "reverse PILOT," in which higher

Harvard University contributed $10 million to Boston in 2019 alone, and $45 million to the city overall since 2007.[55] Similarly, Yale contributed around $12 million to the city of New Haven in 2019 alone, and $136 million since 1990.[56] Dartmouth also contributed around $93 million to its community since 2000. Harvard, Yale, Princeton, Cornell, and Dartmouth have also helped their communities by opting into paying property taxes on "non-academic real estate, despite the fact that the properties qualify as tax-exempt."[57] For example, Dartmouth's $93 million contribution to its community comes through the payment of property taxes on student dormitories.[58]

On the other hand, Columbia University has only paid "a total of roughly one million dollars in PILOT payments" over the past 24 years, according to the NYC Department of Finance.[59] Over that time span, Columbia's annual PILOT contribution to New York City averaged just $41,666 per year. In 2019, a lawsuit filed against Columbia for improper land acquisition compelled the University to sign a $150 million Community Benefit Agreement (CBA), in which the University would allocate money for affordable housing and community projects. While this compelled payment of $150 million adds to Columbia's contributions, it has been reported that the CBA is riddled with restrictions and deadlines that renders it "less effective [as compared] to several other Ivy League schools who have ongoing voluntary payment systems in place."[60] And compared to the contributions of other Ivy League schools, Columbia's CBA contribution will be far outpaced by Harvard and Yale's annual contributions to their communities.[61]

New York City currently employs PILOT programs for certain manufacturing, industrial, and not-for-profit companies—but there is no formal, efficient PILOT program

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education institutions forfeit their property tax exempt status and must submit applications for reimbursement from the state. I also plan to review this option further.

[55] https://www.columbiaspectator.com/news/2019/10/24/stacking-up-where-do-columbias-contributions-to-the-community-rank-among-its-ivy-peers/

[56] *Id.*

[57] *Id.*

[58] *Id.*

[59] *Id.*

[60] *Id.*

[61] *Id.*

in effect for universities or hospitals.[62] In my Administration, I will work with the New York State Legislature to fully revoke the unfair property tax exemptions enjoyed by wealthy, private universities, colleges, and hospitals. In the immediate short-term—up until full revocation of tax exemptions is achieved—I will create a PILOT program for New York City's wealthy, private universities, colleges, and hospitals that mandates:

(1) Participation by all wealthy, private universities, colleges and hospitals;

(2) PILOT contributions from all participating universities, colleges, and hospitals totaling 100% of what they would pay in real property taxes if their real property were not tax exempt;

(3) The establishment of PILOT contribution reductions and credits for universities and colleges with qualifying community programs that uniquely benefit New York City residents; and

(4) Public disclosure of all property tax exemptions and the total value of these exemptions for the past 10 years.

In New York City, my proposed PILOT plan would apply to the largest universities and hospitals, including Columbia University, NYU, Cornell University (medical school and other NYC-based buildings), and Rockefeller University. All religious institutions and entities will continue to retain their property-tax exempt status. While New York City tenants and landlord struggled to pay bills in light of COVID-19, universities and hospitals have enjoyed record-high profits. For example, Columbia University saw its endowment grow 5.5% and reach an all-time record high this past year.[63] Given New

[62] https://www1.nyc.gov/site/finance/benefits/benefits-payment-in-lieu-of-taxes-agreements-pilot.page; Specifically, New York City's Department of Finance is tasked with calculating, billing, and collecting PILOT payments.
[63] https://www.columbiaspectator.com/news/2020/10/22/columbia-reports-310-million-increase-in-endowment-during-pandemic-while-smaller-schools-flounder/#:~:text=Nevertheless%2C%20the%20value%20of%20the,in%20the%20previous%20fiscal%20year.

York State and New York City's debt levels and projected budget deficits, private universities and hospitals must pay larger and fairer PILOT contributions to the City.

5. *SLIWA'S PLAN IN-DEPTH*: ELIMINATING MADISON SQUARE GARDEN'S PROPERTY TAX EXEMPT STATUS

Dating back to 1982, Madison Square Garden (MSG) has enjoyed a property tax exemption, pursuant to New York State Real Property Tax law (Article 4, Section 429).[64] Under Section 429, MSG enjoys this property tax exemption as long as MSG is used as a professional major league hockey and basketball arena for New York sports teams. In 1982, the property tax exemption was granted to MSG to promote professional sports in New York City because the State legislature found that "operating expenses of sports arenas serving as the home of such teams have made it economically disadvantageous for the teams to continue their operations; that unless action is taken, including real property tax relief and the provision of economical power and energy, the loss of the teams is likely…" (Section 1 of L.1982, c.459).[65]

In 1997, the New York Knicks were sold for just $300 million.[66] As of February 2021, the New York Knicks are valued at $5 billion.[67] In 1997, the New York Rangers were sold for just $195 million.[68] As of 2021, they are valued at $1.65 billion.[69] While these teams were once imperiled by difficult financial situations, New York's sports teams are no longer struggling financially to stay in New York City today. These teams enjoy a prime location, the nation's largest media market, and recent renovations in MSG.[70] Today, MSG's property tax exemption is worth around $42.4 million annually

[64] https://www.tax.ny.gov/research/property/assess/manuals/vol4/pt2/sec4_06/sec429.htm
[65] https://ibo.nyc.ny.us/iboreports/eliminating-or-reducing-tax-breaks-options-march-2017.pdf
[66] https://www.forbes.com/teams/new-york-knicks/?sh=4aac5760676d
[67] *Id.*
[68] https://www.forbes.com/teams/new-york-rangers/
[69] *Id.*
[70] https://www.forbes.com/teams/new-york-rangers/?sh=70fd314117d3

(estimated in 2018). Given New York City's projected billion-dollar budget deficits in the coming years[71], the annual $42.4 million property tax exemption granted to MSG can be better utilized to help NYC residents. In the 1980s and 1990s, New York City helped these sports teams get off the ground and thrive culturally and economically. Now, these sports teams should help New York City get back off the ground and recover economically by paying their fair share of property taxes. To remove this property tax exemption from the New York State Property Tax law, the New York State Legislature would need to amend Section 429 of the statute, and I will work with the Legislature to implement this reform.[72]

[71] https://comptroller.nyc.gov/reports/comments-on-new-york-citys-fiscal-year-2021-adopted-budget/#:~:text=While%20the%20Adopted%20Budget%20is,2022%20through%20FY%202024%2C%20respectively. ("While the Adopted Budget is balanced, the Comptroller's Office's analysis of the Budget and Financial Plan shows a budget deficit risk of $543 million in FY 2021 and larger gaps of $4.84 billion, $3.55 billion, and $3.59 billion in FY 2022 through FY 2024, respectively.")

[72] https://www.forbes.com/teams/new-york-rangers/?sh=70fd314117d3

6. EXPECTED OUTCOME

Curtis Sliwa's Property Tax Reform Plan will deliver a fair, efficient, and transparent property tax system to New York City. This revenue-neutral Plan will eliminate unfair tax benefits and ensure that New York City's low- and middle-income communities are no longer forced to subsidize the City's wealthiest residents and neighborhoods. By bringing in millions of dollars in new property tax revenue—from tax-exempt MSG, universities, and hospitals—this Plan will refund our police departments and deliver property tax savings to seniors and low- and middle-income residents, while keeping NYC's budget balanced. And with property tax system reviews every eight years, this Plan will ensure that NYC's property tax system remains up-to-date, fair, efficient, and transparent.