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Red Bull Arena, Inc. v. Town of Harrison

Superior Court of New Jersey, Appellate Division - May 12, 2014 - Not Reported in A.3d - 2014 WL 1875318

Red Bull Arena, Inc. appealed from the grant of summary judgment to Town of Harrison, and from the dismissal of its complaints, which sought to vacate local property tax assessments on land owned by The Harrison Redevelopment Agency and on a stadium Red Bull constructed on the land. Red Bull contended that the land and stadium were exempt from local property taxes pursuant to the County Improvement Authorities Law and the Local Redevelopment and Housing Law.

The appeals court found that operation of the stadium did not serve the specific public purposes described in the Authorities Law or Redevelopment Law, the statutes pursuant to which the stadium was constructed.

Unlike the Sports Authority Law, neither the Authorities Law nor Redevelopment Law authorize the Authority or Agency to construct, acquire, own, manage, construct, or operate a sports stadium for professional athletic teams. Rather, the Authority and Agency are only authorized to redevelop the redevelopment area, not the actual operation of a stadium or any other commercial establishment.

Red Bull's actual operation of the stadium exceeded the Authority's and Agency's statutory mandates. Accordingly, because the property was not used for a statutorily authorized public purpose, it was not tax exempt.