

Turfgrass Advocacy

2008



New York State Turfgrass Association • February 13, 2008

Background

Currently in New York State a situation exists where privately owned, for-profit outdoor recreational businesses such as golf courses, ski areas, and campgrounds are forced to compete with publicly owned recreational entities. Issues such as taxes, equipment purchase costs, advertising and promotional costs, personnel and employee benefit costs, interest and borrowing costs, insurance costs, and the like need to be examined to determine what inequities exist between privately held entities and their publicly held counterparts.

NYSTA Perspective

NYSTA supports legislation recently introduced by Senator Seward (S.6835) that establishes a blue ribbon commission to examine, evaluate, and make recommendations regarding the current and future level of fair competition between privately and publicly held outdoor recreational facilities. This commission will first establish the extent of unfair advantages that publicly held outdoor recreation facilities have over privately held facilities. This commission will make recommendations to establish a "level playing field" in the outdoor recreation industry, thereby helping the privately held facilities become more viable than the current situation allows. By becoming more viable, privately held outdoor recreational facilities will:

- maintain much needed greenspace
- invigorate State and local economies
- stay in New York and provide jobs
- continue providing recreational opportunities for residents and tourists

It is important to consider that public recreational facilities have advantages over private recreational facilities in New York State and as a result are able to offer substantially discounted rates to residents who might otherwise use some of the private facilities.

Consider the following:

- Publicly held facilities do not pay school or property taxes. Privately held facilities do.
- Publicly held facilities can purchase equipment on state contract, usually at a large discount when compared to what the private sector would pay.
- In areas where a public water supply is available, oftentimes the private sector facility will pay for their water while the public facility will not.
- Publicly held facilities may have access to free or funded advertising and promotional campaigns.
- Publicly held facilities may have access to less expensive employee benefit packages.
- Publicly held facilities may have access to State or Federal grants, and low or zero interest loans to fund improvements.
- Publicly held facilities may have access to discounted blanket insurance rates.
- Some publicly held facilities are losing money and those losses are being covered by taxpayers. Included on that list of taxpayers are the privately held outdoor recreational facilities. The privately held facilities are actually subsidizing their competition.

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In summary, publicly held outdoor recreational facilities currently enjoy certain advantages over their privately held counterparts. The focus of publicly owned recreational facilities is often to provide recreational opportunities with little or no concern for covering costs. Privately held facilities on the other hand, must by necessity, show a profit.

Recommendation

NYSTA encourages the NYS Legislature to approve this legislation (S.6835) designed to examine, evaluate, and make recommendations on the current level of fairness in the outdoor recreation industry.