§ 3-b. Limitation on real estate tax in New York city. 1. The amount to be raised by tax on real estate in any fiscal year commencing on or after July first, nineteen hundred fifty-four by the city of New York and the counties contained therein for city and county purposes, in addition to providing for the interest on and the principal of all indebtedness, shall not, except as otherwise provided herein, exceed an amount equal to a combined total of two and one-half per centum of the average full valuation of taxable real estate of such city less the amount to be raised by tax on real estate in such year for the payment of the interest on and redemption of certificates or other evidence of indebtedness described in paragraphs A and D of section five of article eight of the constitution, or renewals thereof; provided, however, that for the fiscal year commencing July first, nineteen hundred fifty-three the amount to be so raised by tax as provided in this section shall be not in excess of a combined total of two per centum computed as provided herein plus fifty million dollars. The average full valuation of taxable real estate of such city shall be determined as provided by section ten of article eight of the constitution.

2. Notwithstanding the provisions of subdivision one of this section, if any railroad, as defined in the rapid transit law, is operated by the board of transportation or any other agency, except the New York city transit authority created pursuant to title fifteen of the public authorities law, on or after July first in any year, the amount to be raised by tax as provided in subdivision one of this section shall not be in excess of a combined total percentage of two per centum for the city's fiscal year commencing July first in such year and no more. In addition, for the fiscal year commencing July first, nineteen hundred fifty-three, this further limitation to two per centum with no additional amount, as set forth in this subdivision, shall apply unless the board of estimate shall have entered into an agreement pursuant to the provisions of section eighteen hundred three of the public authorities law, as amended, on or before June first, nineteen hundred fifty-three with such authority to transfer to it transit facilities owned by the city, and such transfer is completed prior to July first, nineteen hundred fifty-three.