§ 555. Acquisition of property. 1. (a) Real property or any interest therein, including but not limited to air rights, and easements or other rights of user necessary for the use and development of such air rights, to be developed as air rights sites for the elimination of the blighting influences over an area or areas consisting principally of land in streets, alleys, highways, and other public rights of way, railway or subway tracks, bridge or tunnel approaches or entrances, or other similar facilities which have a blighting influence on the surrounding area necessary for or incidental to any urban renewal program or part thereof in accordance with an urban renewal plan may be acquired by an agency by gift, grant, devise, purchase, condemnation or otherwise and by a municipality for and on behalf of an agency by condemnation. Property may be acquired by condemnation by an agency or by a municipality for an agency pursuant to the condemnation law or pursuant to the laws relating to the condemnation of land by the municipality for which the agency is acting or the municipality, as the case may be.

(b) Property so acquired by an agency, or by a municipality in behalf of an agency, shall be exempt from taxation until sold, leased for a term not exceeding ninety-nine years or otherwise disposed of in accordance with the provisions of this article or article fifteen of this chapter; provided, however, that any such agency shall have the power and authority, with respect to such property, to pay, out of funds available to it for the effectuating of such urban renewal program, annual sums in lieu of taxes to any taxing jurisdiction providing services to the urban renewal area, or to the part or portion thereof within such taxing jurisdiction, in order that no such taxing jurisdiction shall suffer an inequitable loss of revenue by virtue of such urban renewal program; provided, further, that the amount so paid for any year with respect to any such property shall not exceed the lesser of (1) the sum last levied for the benefit of such taxing jurisdiction as an annual tax on such property prior to the time of its acquisition for urban renewal purposes or (2) such amount as shall be approved by the commissioner, pursuant to such rules, regulation, limitations and conditions as he may prescribe, as an eligible and proper charge against such urban renewal program. Upon the sale, lease or disposition of such property to any person, firm or corporation not entitled to an exemption from taxation or entitled to only a partial tax

exemption such property shall immediately become subject to taxation in whole or in part, as the case may be, and shall be taxed pro rata for the unexpired portion of the taxable year.

As used in this paragraph, the term "taxing jurisdiction" means any municipal corporation or district corporation including any school district or any special district, having the power to levy or collect taxes and benefit assessments upon real property, or in whose behalf such taxes or benefit assessments may be levied or collected.

(c) Notwithstanding any other provisions of this article, an agency may acquire by purchase, gift, devise, condemnation or otherwise, in accordance with the appropriate provisions of any general, special or local law or charter applicable to the acquisition of real property by such agency, such real property or any interest therein, within an area designated pursuant to article fifteen of this chapter as appropriate for urban renewal, as it may deem ultimately necessary or proper to effectuate the purposes of this article although temporarily not required for such purposes, provided that the early acquisition of such property is approved as follows:

(1) In a municipality where there is a planning commission, the agency shall submit the proposal for early acquisition to the commission for its approval. Such planning commission shall, not later than ten weeks from the date of the referral of the proposal to it, after a public hearing held on due notice, submit its report to the governing body certifying its unqualified consent, its disapproval, or its qualified consent with recommendations for modifications of the proposal.

After public hearing held on due notice after the report is received or due from the planning commission, the governing body may:

(i) if the commission shall have certified its unqualified consent, by majority vote authorize the agency to proceed with the acquisition;

(ii) if the commission shall have certified its disapproval or shall have failed to make its report within ten weeks from the date such proposal was submitted to it, nevertheless authorize the agency to proceed with the acquisition, but only by a three-fourths vote;

(iii) if the commission shall have certified its qualified consent together with recommendations for modifications of the proposal,

authorize the agency to proceed with the acquisition in accordance with the modifications recommended by the commission, by majority vote, or authorize such acquisition without such modifications but only by a three-fourths vote.

(2) In a municipality where there is no planning commission, the agency shall submit the proposal to the governing body which after public hearing held on due notice, may either approve or disapprove the proposal.