§ 1048-k. Tax exemption of the water board property and activities. 1. It is hereby determined that the creation of a water board and the carrying out of its corporate purposes is in all respects for the benefit of the city and is a public purpose and the water board shall be regarded as performing a governmental function in the exercise of the powers conferred upon it by this title and shall not be required to pay any taxes, special ad valorem levies or special assessments upon any real property owned by it or any filing, recording or transfer fees or taxes in relation to instruments filed, recorded or transferred by it or on its behalf. The water board shall be deemed a public authority for the purposes of section four hundred twelve of the real property tax law.

2. Notwithstanding the provisions of subdivisions one and four of this section, any real property of the water board located outside the boundaries of the city, shall be exempt from the payment of taxes, special ad valorem levies and special assessments only if and to the extent that such real property would have been exempt if owned by the city.

3. Notwithstanding any provision in this section to the contrary, the water board may pay, or may enter into agreements with any municipality to pay, a sum or sums, annually or otherwise, or to provide other considerations to such municipality, with respect to real property of the water board located within such municipality and provided that any such payment or agreement to pay shall be subject to approval by the authority.

4. The water board shall not be required to pay any taxes or other governmental fees or charges, whether imposed by the state or any municipality, including without limitation franchise taxes, sales taxes or other excise taxes, or any other tax or charge upon its property or activities or upon any of its revenues or other income.