§ 1318. Agreements relating to payment in lieu of taxes. To the end that municipal corporations, counties and school districts may not suffer undue loss of taxes or assessments:

If the authority acquires property for non-transportation purposes (e.g. for future transportation purposes but not to be so used immediately) the authority except as hereinafter provided, shall pay to the participating county and/or city, town or school district where the property is located, annually, in lieu of taxes, a sum equal to the sum last paid as taxes upon the property prior to the time of its acquisition by the authority. Should such property be subsequently developed and improved but still remain unused for transportation purposes, it shall during such period of disuse for transportation be subject to assessment, at the prevailing method of determining assessments, by the county and/or city and/or school district and the authority shall, based on such assessment, annually, in lieu of taxes, pay to the county and/or city and/or school district an amount fixed by it.

If the authority acquires property for transportation purposes but subsequently uses such property for non-transportation purposes, then the authority shall be required, except as hereinafter provided, to pay annually in lieu of taxes to the participating county and/or city and/or school district wherein such property is located, an amount equal to the sum which the said county and/or city and/or school district would ordinarily be imposed as taxes, pursuant to the prevailing method of determining assessments.

Properties acquired by the authority for transportation and used as such, shall not be subject to the payment of any taxes except that the authority shall pay such property special benefit assessments on the property if it is located in an existing special benefit district.

The authority may, in its discretion, enter into agreements to pay annual sums in lieu of taxes in respect of any real property which is owned by the authority and exempt from taxation pursuant to section thirteen hundred sixteen of this title to the participating county and

for city, town or school district in which the property is located, provided, however, that the amount so paid for any year upon such property shall not exceed the sum last paid as taxes on such property to such county, city, town or school district prior to the time of its acquisition by the agency.