§ 3640. Tax exemption and tax contract by the state. 1. It is hereby determined that the creation of the corporation and the carrying out of its corporate purposes are in all respects for the benefit of the people of the state of New York and are public purposes. Accordingly, the corporation shall be regarded as performing an essential governmental function in the exercise of the powers conferred upon it by this title, and the corporation shall not be required to pay any fees, taxes, special ad valorem levies, or assessments of any kind, except as provided pursuant to any public health law, whether state or local, including but not limited to fees, taxes, special ad valorem levies, or assessments on real property, franchise taxes, sales taxes, or other taxes, upon or with respect to any property owned by it or under its jurisdiction, control, or supervision, or upon the uses thereof, or upon or with respect to its activities or operations in furtherance of the powers conferred upon it by this title, or upon or with respect to any fares, tolls, rentals, rates, charges, fees, revenues, or other income received by the corporation; provided, however, that any real property owned or acquired by the corporation outside of the county shall be exempt from real property taxes, ad valorem levies, or special assessments only pursuant to and to the extent provided by an agreement with the governing body of the municipality in which such real property is located; and provided, further, that subsidiaries of the corporation are not included within the foregoing exemption.

2. Any bonds issued pursuant to this title, together with the income from such bonds, shall at all times be exempt from taxation.

3. The state hereby covenants with the purchasers and with all subsequent holders and transferees of bonds issued by the corporation pursuant to this title, in consideration of the acceptance of and payment for the bonds, that the bonds of the corporation issued pursuant to this title and the income from such bonds, and all revenues, monies, and other property pledged to pay or to secure the payment of such bonds shall at all times be free from taxation.

4. The corporation may pay, or may enter into agreements with the county or any municipality to pay, a sum or sums annually or otherwise

or to provide other considerations with respect to real property owned by the corporation located within the county or such municipality.