§ 640. Tax exemption and tax contract by the state. 1. It is hereby determined that the creation of the trust and the carrying out of its corporate purposes is in all respects for the benefit of the people of the state of New York and is a public purpose. Accordingly, the trust shall be regarded as performing an essential governmental function in the exercise of the powers conferred upon it by this article, and the trust shall not be required to pay any fees, taxes, special ad valorem levies or assessments of any kind, including, but not limited to, 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 article, or upon or with respect to any fares, tolls, rentals, rates, charges, fees, revenues or other income received by the trust.

2. Any bonds, notes or other obligations issued pursuant to this article together with the income therefrom 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, notes or other obligations issued by the trust pursuant to this article, in consideration of the acceptance of and payment for the bonds, notes or other obligations, that the bonds, notes or other obligations of the trust issued pursuant to this article and the income therefrom and all revenues, monies, and other property pledged to pay or to secure the payment of such bonds, notes or other obligations shall at all times be free from taxation.