**§ 489-gggg. Conversion of property.** 1. Any recipient whose property is the subject of a certificate of eligibility for commercial or renovation construction work, and who, prior to the expiration of the benefit period, uses such property as industrial property, shall continue to receive benefits for commercial or renovation construction work as the case may be.

2. Any recipient whose property is the subject of a certificate of eligibility for industrial construction work, and who, prior to the expiration of the benefit period, uses such property as commercial property, shall cease to be eligible for further exemption or abatement for industrial construction work as of the last date to which such recipient proves by clear and convincing evidence that such property was used as industrial property, and shall pay with interest any taxes for which an exemption or abatement was claimed after such date, except that:

(a) a recipient of a certificate of eligibility for industrial construction work in a special exemption area who would have been eligible to receive a certificate of eligibility for commercial construction work at the time such recipient applied for benefits shall continue to receive an exemption for industrial construction; and

(b) a recipient of a certificate of eligibility for industrial construction work in a regular exemption area who would have been eligible to receive a certificate of eligibility for commercial construction work at the time such recipient applied for benefits shall, commencing with the date of conversion to commercial property and continuing until the expiration of the benefit period for commercial construction work, receive any exemption which such recipient would have received in the corresponding tax year pursuant to a certificate of eligibility for commercial construction work; and

(c) a recipient of a certificate of eligibility for industrial construction work in any area of the city on whose property at least sixty-five per centum of the net square footage continues to be used or held out for use for manufacturing activities after conversion to commercial property, shall not be required to pay the pro rata share of tax for which an exemption was claimed during the tax year in which such conversion occurred.

3. Except as provided in subdivision four of this section, any recipient whose property is the subject of a certificate of eligibility for commercial, industrial or renovation construction work, and who uses such property as residential property or for any restricted activity prior to the expiration of the benefit period, shall cease to be eligible for further exemption, abatement or deferral as of the date such property was first used as residential property or for any restricted activity. In the case of property in an area that was designated as an exemption area at the time the certificate of eligibility was issued, such recipient shall pay with interest any taxes for which an exemption was claimed after such date, including the pro rata share of tax for which any exemption was claimed during the tax year in which such use occurred. In the case of industrial property, such recipient shall pay with interest any taxes for which an exemption or abatement was claimed after such date, including the pro rata share of tax for which any exemption or abatement was claimed during the tax year in which such use occurred. In the case of property in an area that was designated as a deferral area at the time the certificate of eligibility was issued, all deferred tax payments on the property shall become due and payable immediately.

4. Notwithstanding subdivision three of this section, any recipient whose property is the subject of a certificate of eligibility for commercial or renovation construction work with an effective date of July first, nineteen hundred ninety-two or after, and who, prior to the expiration of the benefit period, uses a portion of such property as residential property, shall cease to be eligible for further exemption for commercial or renovation construction work for that portion of such property used as residential property as of the date such portion of the property was first used as residential property. Such recipient shall pay, with interest, any taxes for which an exemption was claimed after such date attributable to that portion of the property used as residential property, including the pro rata share of tax for which such exemption was claimed during the tax year in which such use occurred. Such recipient shall continue to receive an exemption for commercial or renovation construction work for that portion of the property which

continues to be used as commercial property.