§ 494. Taxation of exempt property upon transfer of title or possession in certain instances. 1. The provisions of this section shall apply only in a city having a population of one million or more.

2. Whenever any person, association or corporation not entitled to an exemption from taxation acquires title to or possession of property which is exempt from taxation, such property shall immediately become subject to taxation and shall be taxed pro rata for the unexpired portion of the taxable year. However, if the United States or the state of New York, through the exercise of the power of eminent domain acquires or shall have acquired temporarily the possession, occupation or use of real property which was previously exempt from taxation pursuant to former section four of the tax law, such previous exemption shall be deemed to continue unbroken and to resume from the date when the possession shall have been restored to the owner and the previously exempt use resumed, despite the fact that such property may be or may have been deemed taxable during the period when the United States or the state of New York acquired or shall have acquired such temporary possession, occupation or use.

3. If taxes on any such property become due and payable for the entire taxable year on a single date, and any such change in title or possession takes place prior to such due date, the pro rata portion of taxes imposed upon such property pursuant to this section shall become due and payable and shall become a lien upon such property upon such due date, but if such change in title or possession takes place after such due date, such pro rata portion of taxes shall become due and payable and shall become a lien upon such property on the date when such change in title or possession takes place. If taxes embracing such property become due and payable on two dates in equal installments, and any such change in title or possession takes place prior to the earlier of such due dates, the pro rata portion of the first installment shall become due and payable and shall become a lien on such property on such earlier due date, and the entire second installment shall become due and payable and shall become a lien on such property on the later of such due dates; if any such change in title or possession takes place between such due dates, the entire pro rata portion of the taxes to which such property

is subject for the taxable year pursuant to this section shall become due and payable and shall become a lien on such property upon such later due date; if any such transfer of title or possession takes place after the later of such due dates, the pro rata portion of taxes to which such property is subject for the taxable year pursuant to this section shall become due and payable and shall become a lien on such property upon the date of such transfer of title or possession. If taxes embracing such property become due and payable on more than two dates in equal installments, and any such change in title or possession takes place prior to the first due date, or between due dates, the pro rata portion of the first installment or of a subsequent installment affected by such change, as the case may be, shall become due and payable and shall become a lien on such property on the due date next following such change in title or possession, and the remaining installments shall become due and payable and shall become a lien on such property on their respective due dates; if any such transfer of title or possession takes place after the last due date in a taxable year, the pro rata portion of tax to which such property is subject for the taxable year pursuant to this section shall become due and payable and shall become a lien on such property upon the date of such transfer of title or possession.

4. No right granted by this article to any person, association or corporation to lease or otherwise use for income-producing purposes any property of such person, association or corporation, without terminating the tax exemption of such property in whole or in part, shall be impaired or diminished by this section, but if any change of title or possession of any property, shall, by virtue of the provisions of this article, terminate the tax exemption of such property, in whole or in part, the provisions of this section shall apply with full force and effect to the extent that such property shall cease to be tax exempt by virtue of the provisions of such article.