§ 499-b. Real property tax abatement. 1. Except as provided in subdivision one-a of this section, within a city having a population of one million or more, eligible buildings containing eligible premises shall receive an abatement of real property taxes during the benefit period as follows:

(a) for each of the first three years of the benefit period, the abatement shall be equal to the product obtained by (i) multiplying the tenant's percentage share by the number of square feet in the eligible building, as listed on the records of the department of finance and (ii) multiplying the product obtained in subparagraph (i) of this paragraph by the abatement base;

(b) for the fourth year of the benefit period, the abatement shall be equal to two-thirds of the abatement in the first year of the benefit period; and

(c) for the fifth year of the benefit period, the abatement shall be equal to one-third of the abatement in the first year of the benefit period.

1-a. Within a city having a population of one million or more, eligible buildings containing eligible premises occupied or used by a tenant pursuant to a lease having a lease commencement date on or after April first, nineteen hundred ninety-seven with an initial lease term of less than five years, but not less than three years, shall receive an abatement of real property taxes during the benefit period as follows:

(a) for the first year of the benefit period, the abatement shall be equal to the product obtained by (i) multiplying the tenant's percentage share by the number of square feet in the eligible building, as listed on the records of the department of finance and (ii) multiplying the product obtained in subparagraph (i) of this paragraph by the abatement base;

(b) for the second year of the benefit period, the abatement shall be equal to two-thirds of the abatement in the first year of the benefit period; and

(c) for the third year of the benefit period, the abatement shall be equal to one-third of the abatement in the first year of the benefit period.

2. If, as a result of application to the tax commission or a court order or action by the department of finance, the billable assessed value is reduced, the department of finance shall recalculate the abatement utilizing such reduced billable assessed value. The amount equal to the difference between the abatement originally granted and the abatement as so recalculated shall be deducted from any refund otherwise payable or remission otherwise due as a result of such reduction in billable assessed value, and any balance of such amount remaining unpaid after making any such deduction shall be paid to the department of finance within thirty days from the date of mailing by the department of finance of a notice of the amount payable. Such amount payable shall constitute a tax lien on the eligible building as of the date of such notice and, if not paid within such thirty-day period, penalty and interest at the rate applicable to delinquent taxes on such eligible building shall be charged and collected on such amount from the date of such notice to the date of payment.

3. In no event shall the abatement for the eligible premises granted pursuant to this title exceed the tax liability allocable to the eligible premises.

4. Notwithstanding the provisions of any lease for occupancy of non-eligible premises in an eligible building or for occupancy of eligible premises for which no certificate of abatement has been issued pursuant to this title, a lessee of non-eligible premises or of eligible premises for which no certificate of abatement has been issued pursuant to this title shall not be entitled to receive directly or indirectly a reduction in either the real property taxes or any rent (including additional rent) payable pursuant to such lease where such reduction would result from an abatement of real property taxes granted pursuant to this title. A landlord of an eligible building shall not allocate, credit, assign or disburse any portion of an abatement granted pursuant to this title to a lessee of non-eligible premises or of eligible premises for which no certificate of abatement has been issued pursuant to this title. A landlord shall not be required to reduce the real property taxes or any rent (including additional rent) payable by expansion tenants, new tenants and renewal tenants by an amount that

exceeds the full amount of the abatement granted pursuant to this title, but a landlord shall be required to reduce the real property taxes or any rent (including additional rent) payable by expansion tenants, new tenants and renewal tenants by an amount that, in the aggregate, equals the full amount of the abatement granted pursuant to this title. Such reduction shall be allocated in accordance with the abatement granted for the eligible premises occupied by each such tenant.

5. (a) A tenant who occupies or uses eligible premises for which a certificate of abatement is issued pursuant to this title shall not be eligible to receive a second certificate of abatement for the same eligible premises. A tenant who occupies or uses eligible premises for which a certificate of abatement is issued pursuant to this title and who, upon the expiration of the lease for such eligible premises, relocates to otherwise eligible premises, shall not be eligible to receive a certificate of abatement for such otherwise eligible premises, except to the extent that the square footage of such otherwise eligible premises exceeds the square footage of all eligible premises previously occupied or used by such tenant for which such tenant held a certificate of abatement. If the square footage of such otherwise eligible premises exceeds the square footage of all such eligible premises previously occupied or used by such tenant and if there is any variation in the tax liability per square foot of such otherwise eligible premises, then, for purposes of determining which square footage in such otherwise eligible premises is entitled to an abatement pursuant to this title, square footage with the greatest tax liability per square foot, in an amount equal to the square footage of all such eligible premises previously occupied or used by such tenant, shall first be excluded.

(b) Notwithstanding the provisions of paragraph (a) of this subdivision, a tenant who is eligible in accordance with the provisions of this title, who occupies or uses eligible premises for which a certificate of abatement is issued pursuant to this title and who, upon the termination of the lease for such premises as a result of a taking by eminent domain, relocates to otherwise eligible premises, shall be eligible to receive a second certificate of abatement for such eligible premises; provided, however, that such tenant shall have eighteen months from the date that the lease has terminated, as a result of the taking

by eminent domain, or eighteen months from the effective date of this paragraph, whichever is later, to relocate to such eligible premises.