§ 545. State aid; state-owned lands. 1. Whenever the state or an agency of the state acquires real property which becomes exempt as a result of such acquisition and which constitutes two per cent or more of the total taxable assessed valuation of the latest preceding assessment roll or there is a reduction in assessments on taxable state lands, the commissioner shall establish a "transition assessment" which will in effect prevent any loss of taxable assessed valuation on the assessment roll for the first year affected by such occurrence or occurrences. For each succeeding year, the commissioner shall establish a transition assessment which will in effect limit to two per cent of the total taxable assessed valuation on the latest preceding assessment roll the loss in taxable assessed valuation on such roll as a result of such occurrence or occurrences, and (i) further acquisitions by the state or an agency of the state, or (ii) further reductions in assessments on taxable state lands, or (iii) both (i) and (ii).

2. In the first year of such occurrence or occurrences, the commissioner shall establish a transition assessment.

3. In establishing transition assessments pursuant to this section, the commissioner shall: a. In determining whether real property acquired by the state or an agency of the state constitutes two per cent or more of the total taxable assessed valuation of the latest preceding assessment roll, the assessed valuation of the property acquired shall be determined from the second assessment roll preceding the first assessment roll affected by the acquisition;

b. In making computations and determinations pursuant to this section, take into account increases or decreases in level of assessment on the assessment rolls involved;

c. In establishing a transition assessment for a town assessment roll, indicate the amount of the transition assessment which is applicable to that portion of the town located outside of any village and also the amount of the transition assessment upon which state aid shall be paid for county purposes;

d. Round all transition assessments to the nearest ten dollars.

4. The transition assessments as established and certified by the commissioner shall be entered by the assessor or other appropriate local official on the assessment roll and shall be, and shall be treated for all purposes as, taxable assessed valuation on such roll.

5. The commissioner shall certify to the state comptroller all transition assessments which it establishes and the state comptroller shall pay as state aid the amounts, equivalent to the taxes, levied on such assessments, in the manner prescribed by section five hundred forty-four of this chapter out of moneys appropriated by the legislature for the payment of taxes on state-owned lands.

6. In making transition assessments pursuant to this section:

(a) for property acquired by a state public authority or by the state for the purposes of a state public authority, such transition assessments shall be reduced to take into account any payments in lieu of taxes made pursuant to law by such state public authority to the tax district, so that the total of state aid paid on each transition assessment and the payment in lieu of taxes received by the tax district would be in effect equal to the state aid payable on such transition assessment computed without regard to this subdivision; and

(b) for state lands in which interests have been granted by the state to others which interests and improvements made to lands in which those interests have been granted are taxable pursuant to subdivision two of section five hundred sixty-four of this article, such transition assessments shall be reduced by the taxable assessed value of those interests and improvements.

(c) The assessor in each assessing unit for which transition assessments are made pursuant to this section shall annually report to the commissioner the total taxable assessed value of interests and improvements subject to taxation pursuant to subdivision two of section five hundred sixty-four of this article. This report shall be filed not later than ten days after the completion and filing of the final assessment roll each year.

7. Definitions. As used in this section: a. "Agency of the state", in the case of public authorities, includes state public authorities but excludes all other public authorities.

b. "Assessment roll", in the case of a city or town, means the entire city or town assessment roll; in the case of a village, means the entire village assessment roll, except in the case of a village which has enacted a local law as provided in subdivision three of section fourteen hundred two of this chapter, may also mean that part of the assessment roll of the town or county upon which village taxes were or are to be levied; in the case of a county, means the entire city or town assessment roll affected by the occurrence or occurrences described in subdivision one of this section; in the case of a school district or special district, means that portion of the city or town assessment roll used for the levy of school or special district taxes which is affected by the occurrence.

c. "First year" means a year following a year for which no transition assessment was established.

d. "Lands" or "state lands" as used in this section, shall include lands acquired by the state or an agency of the state for highway or parkway purposes.

e. "Latest preceding assessment roll" means the last preceding assessment roll finally completed, verified and filed prior to the final completion of the assessment roll for which the transition assessment is being established, but shall not mean or include a supplemental assessment roll completed, verified and filed as provided in section thirteen hundred thirty-five of this chapter.

f. "Reduction in assessments on state lands" means a loss in taxable assessed valuation on an assessment roll as a result of the approval by the commissioner of assessed valuations on state lands which in total amount to less than the total taxable assessed valuations on such lands in the preceding year, whether or not such lands were owned by the state in the preceding year.

g. "State public authority" means a public benefit corporation as defined in section sixty-six of the general construction law whose membership is required by law to consist entirely of members who are appointed by the governor or other state officer or who serve as members as ex officio state officers.

h. "Tax district" means a county, city, town, village, school district or special district.