HISTORICAL TAX LAW CHANGES
VOLUNTARY CONTRIBUTIONS BY MUNICIPALITIES

Laws 1991, Chapter 212, required cities and towns to make voluntary contributions to the state, county, school districts, and other taxing districts under Title 48 in lieu of property taxes on remote municipal property. Water may not be transported by a municipality from the remote property unless this voluntary contribution has been paid to the state beginning in the year the property was purchased in January 1, 1992, whichever is later. The Legislature intended to compensate counties or political subdivisions in which the remote property is located for their reduced taxing and bonding capacity due to the municipal property being removed from their tax rolls. Therefore, the total contribution collected is distributed each month beginning in September through June to "eligible political subdivisions" where the remote municipal property (water farm) is located. One-tenth of the contribution amount is distributed each month through the Distribution Base of the Transaction Privilege tax. (E – was September 21, 1991)