

12-820a. City acquiring certain private waterworks property authorized to reimburse subdivisions for tax loss; exception. Any city of the state which shall acquire from a private owner any waterworks utility or property serving such city which at the time of such acquisitions was subject to the levy of ad valorem taxes for city, county, board of education or municipal university purposes shall have power to pay annually to such city, county, board of education or municipal university, out of the net revenues accruing to the city from the operation of its waterworks, an amount not in excess of the ad valorem taxes levied on such waterworks property for such city, county, board of education or municipal university in the calendar year preceding the date of the acquisition of such waterworks utility or property by the city: Provided, however, That if any such city shall have outstanding any revenue bonds payable from the revenues of the city's waterworks, the city shall not make any such payment which will prevent the city from paying when due the principal of and interest on its water revenue bonds, nor shall such payment be made if the making thereof will prevent or interfere with the performance by the city of any of its obligations under the ordinance authorizing the issuance of its water revenue bonds.

History: L. 1957, ch. 104, § 1; March 30.