

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7841**  
**BILL NUMBER: SB 338**

**DATE PREPARED:** Feb 21, 2001  
**BILL AMENDED:** Feb 20, 2001

**SUBJECT:** Barrett Law installments.

**FISCAL ANALYST:** Bob Sigalow  
**PHONE NUMBER:** 232-9859

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** (Amended) This bill permits property owners to elect under certain conditions to pay Barrett Law assessments in annual installments, or in monthly installments that correspond to the number of annual installments. It permits an issuer of Barrett Law bonds to establish the timing of the election by property owners to permit structuring of a bond issue in a number of annual series that is consistent with the installment periods elected.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) Under this proposal, the municipal legislative body would provide that bonds issued in anticipation of the collection of assessments must be issued so as to mature between 10 and 30 years from the date of issuance. Currently, bonds must be issued in 10-year series. The bill would also give taxpayers the option to pay in monthly or annual installments over 10, 20 or 30 years (1, 5, 10, 15, or 20 years in a municipal improvement district) as opposed to currently available election of annual payments over a ten year period. The bill would allow the bond issuer to establish the timing of the election of payment methods so that the issuer has time to structure the maturity of the bonds in a manner consistent with the payment elections.

These provisions could change taxpayer payments and could also increase the total bond payments due to additional interest on bonds with terms longer than 10 years. A taxpayer who elects to pay in installments would be assessed interest at a rate that is equal to or greater than the interest rate on the bonds.

Barrett bonds are paid from special assessments levied against the property to be benefitted by the

improvement. This bill would not affect local property tax levies.

**Explanation of Local Revenues:** (See Local Expenditures above.)

**State Agencies Affected:**

**Local Agencies Affected:** Municipalities.

**Information Sources:**