

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7319**  
**BILL NUMBER: HB 1218**

**NOTE PREPARED: Jan 9, 2004**  
**BILL AMENDED:**

**SUBJECT:** Barrett Law Assessment Collection Deferment.

**FIRST AUTHOR:** Rep. Summers  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

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

**IMPACT:** Local

**Summary of Legislation:** For purposes of the Barrett Law applicable to municipalities, the bill allows a municipal fiscal officer and municipal works board to establish procedures allowing the municipality to defer collection of a special assessment that is in default by preserving the assessment as a lien upon the property subject to the assessment. The bill requires the collection of the preserved lien: (1) when ownership of the property is transferred; and (2) before the final bond maturity date. It provides that deferred assessments are treated similarly to delinquent property taxes. (Under current law, an assessment in default must be collected through: (1) payment in full; (2) foreclosure on the property; or (3) a conveyance in satisfaction of the assessment.) It also makes a technical correction.

**Effective Date:** July 1, 2004.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** This bills allows municipalities to avoid having to sell property because of Barrett Law assessments that are in default. Municipalities may be able to save costs associated with holding a public sale as well as maintenance costs that are associated with properties that do not move after the public sale process.

**Explanation of Local Revenues:** This bill also allows the collection of a Barrett Law assessment to be deferred until the property ownership changes hand or before the bond maturity date. This would cause a municipality to forego revenue until a future date.

**State Agencies Affected:**

**Local Agencies Affected:** Municipalities having Barrett Law assessments.

**Information Sources:**

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