

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

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6968**  
**BILL NUMBER: SB 293**

**DATE PREPARED:** Dec 29, 1999  
**BILL AMENDED:**

**SUBJECT:** Assessments by county drainage board.

**FISCAL ANALYST:** Beverly Holloway  
**PHONE NUMBER:** 232-9851

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

**IMPACT:** Local

**Summary of Legislation:** This bill requires the county to charge interest at a rate of 4% per year for payments that are deferred for more than one year on drainage ditch assessments for construction and reconstruction that are paid for with county funds. (Current law requires the county to charge interest at a rate of 10% per year for payments that are deferred for more than one year on drainage ditch assessments for construction and reconstruction that is paid for with county funds.)

**Effective Date:** July 1, 2000.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** This bill would decrease the amount of money collected on drainage ditch assessments that are deferred for more than one year. The current interest rate is 10% and this bill decreases the interest rate to 4%. The 10% interest has been in effect since 1981 (P.L. 309-1981) and has not decreased when other interest rates, such as residential mortgage rates, have decreased.

Information is not available on the amount of revenue collected from drainage ditch assessments and interest earned from deferred payments. However, an example of the impact of this bill is as follows: If a drainage ditch assessment is \$50 and payment is deferred at an interest rate of 10%, an additional \$5 in revenue would be collected. Under the provisions of this bill the deferred payment on a ditch of assessment of \$50 with an interest rate of 4% would be an additional \$2 in revenue, a difference of \$3. The fiscal impact of this provision is indeterminable and will vary among counties.

**State Agencies Affected:**

**Local Agencies Affected:** Counties.

**Information Sources:**