§ 231. Permanent financing of district and special improvements. 1. When the cost of any improvement is to be borne by special assessment to be assessed and paid as provided in this subdivision, such improvement shall be temporarily financed pursuant to the local finance law until after the confirmation of the assessment. When such assessments shall have been confirmed, a period of thirty days shall be given from the date of confirmation in which such assessments may be paid in whole or in part, provided a part payment so made shall equal ten per centum, or a multiple thereof, of the amount payable and the obligation or appropriate portion thereof cancelled. Upon the expiration of such period, obligations shall be issued pursuant to the local finance law for the total cost thereof, deducting the amounts of the assessments or parts thereof so paid within such period.

Upon ascertainment of the amount of the cost to be assessed by special assessment the town board shall prescribe that such assessments may be so paid at the option of the payer in whole or in part, without penalty or interest, and the unpaid amounts, if any, to be paid in annual installments, with interest thereon.

If bond anticipation notes are issued, all collections from assessments so paid in whole or in part shall be applied at once in reduction of such notes.

Annual collections of assessments payable in installments shall be applied in payment of maturing obligations and accruing interest. If the total amount of assessments payable in installments collected in any year shall be less than the amount required to pay maturing bonds and accruing interest, the town board may direct that surplus moneys, not otherwise appropriated, be applied.

Any surplus accruing from the sale of obligations, whether from premiums or otherwise, shall be applied to the reduction of the debt so incurred.

2. Notwithstanding any other provisions of this chapter, the town board, upon the completion of the improvement or at any time prior

thereto, may determine to issue, pursuant to the local finance law, the obligations of said town in such an amount as said board may estimate to be sufficient to pay the entire cost of the improvement, but not in excess of the maximum amount proposed to be expended for the improvement as stated in the petition, or in the final order, if the town board proceeded under article twelve-A of this chapter, or, if such improvement be an improvement constructed pursuant to section two hundred two-b of this chapter, not in excess of the estimated expense thereof as stated in the notice of hearing. There shall be annually apportioned and assessed upon the several lots and parcels of land especially benefited by the improvement in proportion to the amount of benefit which the improvement shall confer upon the same, and in the manner provided in section two hundred two-a of the town law for the assessment of the cost of maintenance in a sewer district, an amount sufficient to pay the principal and interest of any obligations issued for such improvement as the same shall become due and to pay the cost of maintenance for the fiscal year commencing on the first day of January next succeeding. In the event that the annual collection of such assessments shall be less than the amount required to pay the principal and interest of such obligations as they shall become due, the town board shall direct that surplus moneys not otherwise appropriated be applied.

Whenever an unpaid assessment has been divided into annual installments pursuant to this section the town board may, at the time of making such division, or at any time thereafter, provide that all future annual installments may be prepaid together with a sum sufficient to meet all future pro rata shares of the annual interest payable on such obligations and which would otherwise have been added to such future installments had same not been prepaid. All sums received from such prepayments shall be deposited and retained in a separate account in a depositary designated in the manner provided by section ten of the general municipal law to be applied only to the payment of the obligations issued pursuant to this section. Notwithstanding the foregoing, such sums so received may be invested in the manner permitted in section eleven of the general municipal law.