

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Governmental Oversight and Accountability

BILL: SB 264  
 INTRODUCER: Senator Brandes  
 SUBJECT: Inflation and Deflation  
 DATE: January 8, 2014      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	McKay	McVaney	GO	<b>Favorable</b>
2.	_____	_____	AFT	_____
3.	_____	_____	AP	_____

**I. Summary:**

SB 264 requires executive branch agencies and the judicial branch to identify and gather information about every statutory provision specifying monetary amounts, and make findings and recommendations in a final report as to whether any of those amounts should be changed.

**II. Present Situation:**

The Florida Statutes contain an indeterminate number of provisions (hundreds, at the least) specifying a monetary amount fixed at the time of enactment.

A representative, and by no means exhaustive, list of the types of statutory monetary amounts applicable to the executive branch of state government includes the following:

- Florida Lottery provisions
- Campaign finance laws
- Child support amounts
- Regulatory fees
- Fees for governmental services
- Penalties for traffic infractions
- Criminal penalties
- Thresholds defining criminal activity
- Bid thresholds for public entity procurements and bid protest provisions
- Requirements relating to financial institutions and insurance companies
- Reimbursement requirements
- Meal and per diem reimbursement amounts for public sector employees and officers
- Sovereign immunity

The judicial branch is affected by statutory monetary amounts specifying the thresholds for which courts handle civil actions, service charges and fees collected by clerks of court, and juror fees.

The vast majority of these amounts make no provision for adjustment and are only adjustable by legislative action. A very small minority of the fixed monetary amounts in statute provide for adjustment by reference to the Consumer Price Index, which is a measure produced by the Bureau of Labor Statistics of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.<sup>1</sup> Because the vast majority of monetary amounts in statute are not subsequently adjusted, those unadjusted amounts reflect economic realities embedded in legislative policymaking fixed at the time of enactment or modification, that therefore do not reflect the operation of macroeconomic forces.

### III. Effect of Proposed Changes:

The bill requires each state agency<sup>2</sup> to identify, by July 1, 2015, all statutes over which the agency has implementation, administrative, or enforcement authority which contain a reference to a monetary amount and determine the:

- Original enactment date of the provision;
- Purpose of including the monetary amount in statute; and
- Date that the monetary value was last adjusted.

By August 1, 2015, each state agency must produce an initial report with the above information and initial findings as to whether each monetary amount should be adjusted to reflect changes to the real value of money resulting from inflation or deflation.

Between August 1, 2015, and September 15, 2015, each agency must request public input on its findings and recommendations in the initial report. The public input must be considered when the agency makes its final report

By October 31, 2015, each state agency must submit a final report to the Governor, Senate president, and House Speaker, containing the agency's final recommendations, proposed statutory changes, and fiscal impact statements.

The provisions of the bill expire on December 31, 2015.

### IV. Constitutional Issues:

#### A. Municipality/County Mandates Restrictions:

None.

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<sup>1</sup> <http://stats.bls.gov/cpi/cpifaq.htm>, last visited on January 8, 2014.

<sup>2</sup> The bill defines "state agency" as each agency or department of the executive branch of state government; the Justice Administrative Commission on behalf of the state attorneys, public defenders, criminal conflict and civil regional counsel, and capital collateral regional counsel; the Florida Clerks of Court Operations Corporation on behalf of itself and the clerks of courts; and the Office of the State Courts Administrator on behalf of the judicial branch.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

State agencies may incur indirect costs in staff time devoted to gathering and compiling the information required by the survey, reporting, and public input requirements in the bill.

State agencies may also incur direct, and probably minimal, costs in complying with the public input requirements of the bill, depending on the method each agency uses to solicit the public input.

**VI. Technical Deficiencies:**

The bill uses the phrases “monetary amount” and “monetary value,” apparently synonymously. If the phrases are intended to be synonymous, one phrase could be consistently used for clarity.

**VII. Related Issues:**

The bill does not dictate how each agency ought to request public input; agency efforts in that regard may therefore be varied. The time period specified in the bill for doing so, six weeks, might not be sufficient for agencies that do extensive outreach and receive extensive feedback.

For laws without explicit statements of legislative intent, it may sometimes be difficult for agencies to assert the purpose of including the monetary amount in statute.

Agencies may be reluctant to opine on whether taxes and fees ought to be adjusted, since setting those amounts are policy determinations required to be made by the legislature.

If the “fiscal impact statement” is intended to be the one required by s. 216.065, F.S., the bill should explicitly so provide. The level of detail provided in each agency’s “fiscal impact statement” will be different without a standardized format.

**VIII. Statutes Affected:**

This bill creates an unnumbered section of the Florida Statutes.

**IX. Additional Information:**

**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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