

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: SB 262

SPONSOR: Senator Geller

SUBJECT: Property Owned by Local Governments

DATE: January 22, 2003 REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Cooper</u>	<u>Yeatman</u>	<u>CP</u>	<u>Favorable</u>
2.	<u>                    </u>	<u>                    </u>	<u>FT</u>	<u>                    </u>
3.	<u>                    </u>	<u>                    </u>	<u>AP</u>	<u>                    </u>
4.	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
5.	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
6.	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

## I. Summary:

This bill revises the definition of the term “property” for the purposes of inventory and recordkeeping by local governments.

This bill amends s. 274.02, Florida Statutes.

## II. Present Situation:

Chapter 274, F.S., governs the inventory of tangible personal property by local governments, which means “the governing board, commission or authority of a county or taxing district of the state or the sheriff of the county.”

Section 274.02(2), F.S., requires local governments to mark and maintain a record of their property. In addition, local governments must take an annual inventory of such property, and must inventory property whenever there is a change in the custodian of such property.

Subsection (1) defines "property" as “fixtures and other tangible personal property of a non-consumable nature the value of which is \$750 or more and the normal expected life of which is 1 year or more.”<sup>1</sup>

Section 273.02, F.S., establishes a minimum value of \$1,000 for state property required to be marked and inventoried.

<sup>1</sup> In 1996, the Legislature amended s. 274.02(2), F.S., to increase this value threshold from \$500 to \$750. (Ch. 96-209, L.O.F.) If \$750 is indexed to inflation, it would currently be \$855.

**III. Effect of Proposed Changes:**

**Section 1** amends s. 274.02(2), F.S., to increase the minimum value of property required to be inventoried by local governments from \$750 to \$1,000.

**Section 2** provides that the act will take effect July 1, 2003.

**IV. Constitutional Issues:****A. Municipality/County Mandates Restrictions:**

None.

**B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

**V. Economic Impact and Fiscal Note:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

None.

**C. Government Sector Impact:**

Increasing the minimum value of property subject to the requirements of ch. 274, F.S., will reduce the cost of marking, recording and accounting of the property owned by local governments.

In many Florida counties, the County Clerks of the Court are responsible for maintaining the books of account for their operations, as well as those of their respective board of county commissioners, and for providing oversight and direct participation in the annual physical inventory of county property. The Florida Association of Court Clerks (FACC) reports that a disproportionate number of local property items have values less than \$1,000. Consequently, disproportionate resources are expended in maintaining the inventory of such lower-value items.

For example, FACC reports that last year Pasco County had a total of 6,590 inventoried property items with a total value of \$47 million. Of these items, 1,022 had a value of less than \$1,000 (18.24%), representing only 2.7% of the total value of all inventoried items.

The number of items valued between \$750 and \$1,000 and their collective value is not specified.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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