

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: CS/SB 262

SPONSOR: Finance and Taxation Committee and Senator Geller

SUBJECT: Property Owned by Local Governments

DATE: February 20, 2003 REVISED: _____

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

I. Summary:

This bill requires the state to offer to convey surplus lands to a municipality at no cost, if the surplus lands were acquired by the state before 1960 by a gift from the municipality. It also revises the definition of the term “property” for the purposes of inventory and recordkeeping by local governments.

This bill amends ss. 253.034 and 274.02, Florida Statutes.

II. Present Situation:

Section 253.034, F.S., prescribes the procedure for the state to dispose of surplus lands. It provides that lands may be offered for sale to counties or local governments, and surplus properties in which governmental agencies have expressed no interest are made available for sale on the private market.

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."¹

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

III. Effect of Proposed Changes:

Section 1 amends s. 253.034(6), F.S., requiring the state to offer to convey surplus lands to a municipality at no cost, if the surplus lands were acquired by the state before 1960 by a gift or other conveyance at no cost from the municipality, unless otherwise provided in a deed restriction of record.

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

Section 3 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.

¹ 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.

C. Government Sector Impact:

Requiring the state to offer to convey surplus lands to a municipality at no cost, if the surplus lands were acquired by the state before 1960 by a gift or other conveyance at no cost from the municipality, unless otherwise provided in a deed restriction of record, will potentially reduce state revenue from the sale of surplus lands. Local governments' expenditures on these lands will be decreased by a similar amount.

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.