

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 424

SPONSOR: Governmental Oversight & Productivity Committee and Senators Geller and Constantine

SUBJECT: Local Governments

DATE: April 13, 2004 REVISED: 4/15/2004 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Cooper</u>	<u>Yeatman</u>	<u>CP</u>	<u>Favorable</u>
2.	<u>Rhea</u>	<u>Wilson</u>	<u>GO</u>	<u>Fav/CS</u>
3.	<u>Fournier</u>	<u>Johansen</u>	<u>FT</u>	<u>Favorable</u>
4.	<u>Deloach</u>	<u>Coburn</u>	<u>AP</u>	<u>Fav/1 Amd</u>
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This committee substitute modifies the process by which the Board of Trustees of the Internal Improvement Trust Fund may dispose of state-owned lands that have been surplused. If the surplused land was acquired from a municipality by gift or other conveyance at minimal or no cost to the state prior to 1958, the board would be required to offer to reconvey those surplus lands to that municipality at no cost, but for the fair market value of any building or other improvements to the land, unless otherwise provided in a deed restriction of record.

The committee substitute also increases the minimum value of property required to be inventoried by local governments from \$750 to \$1,000.

Additionally, the committee substitute requires special districts to comply with the provisions of ch. 274, F.S., *Tangible Personal Property Owned by Local Governments*, and not just comply with s. 274.12, F.S.

This bill amends ss. 253.034, 274.02 and 274.12, 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, lease, or other conveyance” 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., to modify the process by which the Board of Trustees of the Internal Improvement Trust Fund may dispose of state-owned lands that have been surplus. If the surplus land was acquired from a municipality by gift or other conveyance at minimal or no cost to the state prior to 1958, the board would be required to offer to reconvey those surplus lands to that municipality at no cost, but for the fair market value of any building or other improvements to the land, 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 amends s. 274.12, F.S., so that special districts subject to ch. 274, F.S., *Tangible Personal Property Owned by Local Governments*, must comply with the entire chapter, not just with s. 274.12, F.S.

Section 4 provides that the act will take effect July 1, 2004.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

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 \$884.

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:

This bill requires the state to offer to convey surplus lands to a municipality at no cost, but for the fair market value of any building or other improvements to the land, if the surplus lands were acquired by the state before 1958 by a gift from the municipality. This will potentially reduce state revenue from the sale of surplus lands. Local governments' expenditures on these lands will be decreased by a similar amount.

The Department of Environmental Protection indicates that this change, although indeterminate based on the information available, would have a negative impact to the Internal Improvement Trust Fund if future land was determined to be surplus and conveyed to a municipality without sale.

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, the FACC reports that in 2002 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:

Amendment #1, Appropriations Committee

The amendment limits the time for certain surplus lands to be returned to a municipality by providing a July 1, 2006, expiration date.

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