

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|---|-----------------------------|---|
| 1. Reduce government? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. EFFECT OF PROPOSED CHANGES:

This bill amends s. 274.02, F.S., to increase the minimum value for tangible personal property that a local government must mark and inventory from \$750 to \$1,000.

Background

Chapter 274, F.S., governs the inventory of tangible of personal property by local governments. Section 274.02, F.S., requires that each "governmental unit" ¹ mark tangible personal property owned by the government and valued in excess of \$750. The local government also must maintain a record of its property, take an annual inventory of such property, and conduct an inventory whenever there is a change in the property custodian.

The minimum value for tangible personal property subject to inventory was increased from \$200 to \$500 in 1988, and from \$500 to \$750 in 1996. The sum of \$750 adjusted for inflation today is \$879.06.² By comparison, the similar law regarding tangible personal property owned by the state requires marking and inventory of property valued in excess of \$1,000.³

C. SECTION DIRECTORY:

Section 1: Amends s. 274.02(1), F.S., to revise the definition of the term "property" for purposes of inventory and recordkeeping by local governments.

Section 2: Provides an effective date of July 1, 2004.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

¹ Section 271.01(1), F.S., defines "governmental unit" as "the governing board, commission or authority of a county or taxing district of the state or the sheriff of the county."

² <http://www.aier.org/cgi-bin/colcalculator.cgi>. (The calculator uses the Consumer Price Index and data from the Bureau of Labor Statistics for its conversions.)

³ See, s. 273.02, F.S.

1. Revenues: None.

2. Expenditures: None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues: None.

2. Expenditures: The bill is expected to create a minimal positive impact on local government expenditures. Increasing the minimum value of property subject to s. 274.02, F.S., will reduce recording and inventory costs.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR: None.

D. FISCAL COMMENTS:

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 reports that a disproportionate number of local property items have values less than \$1,000.

III. COMMENTS

A. CONSTITUTIONAL ISSUES: None.

1. Applicability of Municipality/County Mandates Provision:

2. Other:

B. RULE-MAKING AUTHORITY: None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

None.