

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:

Background

State-Owned Lands

Chapter 253, F.S., governs state-owned lands. Article IV, s. 4(f), State Constitution, provides that the Board of Trustees of the Internal Improvement Trust Fund (TIIF) consists of the Governor and Cabinet. Section 253.001, F.S., provides that the TIIF holds title to all state-owned lands. In general, only the TIIF can sell state lands.

Section 253.034(6), F.S., prescribes the procedure for the TIIF to determine that lands are surplus, and prescribes some of the procedure for disposal of surplus lands. In short, the property must be offered first to local governments. If the local governments decline to purchase the surplus land, the land may be sold to any person. The Acquisition and Restoration Council may recommend to the TIIF that a property be declared surplus, and that a surplus property be transferred by sale, lease, or other conveyance to a local government. The sale price of lands determined to be surplus pursuant to this subsection must take into consideration an appraisal of the property, or, when the estimated value of the land is less than \$100,000, a comparable sales analysis or a broker’s opinion of value, and the price paid by the state to originally acquire the lands. A unit of government that acquires surplus lands for less than the appraised value may not sell the land to a private owner for 10 years

Section 253.111, F.S., requires that, before the TIIF may sell any property, it must offer to sell the property to the county in which the property lies. If the county exercises its option to purchase the property, the county must pay the appraised value.

Inventory of Tangible Personal Property by Local Governments

Chapter 274, F.S., governs the inventory of tangible 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

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.)

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

HB 213

This bill amends s. 253.034, F.S., to require that any surplus lands acquired by the state prior to 1958 by gift or other conveyance for no consideration from a municipality first be offered to the municipality for reconveyance at no cost (except for the fair market value of any improvements) unless otherwise provided in a deed restriction. The bill also appears to have the result that the right to purchase by the county found at s. 253.111, F.S., would not be applicable to state-owned property declared surplus where the property was originally donated to the state by a municipality unless such municipality refused the property.

The bill also 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.

C. SECTION DIRECTORY:

Section 1: Amends s. 253.034, F.S., regarding surplus state-owned lands.

Section 2: Amends s. 274.02, F.S., regarding marking and inventory of tangible personal property owned by local governments.

Section 3: Provides an effective date of July 1, 2004.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The potential revenue loss to the Internal Improvement Trust Fund for the provision regarding conveyance of surplus property donated to the state by a municipality is unknown, but likely none.

2. Expenditures: None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues: None.

2. Expenditures: Section 2 of 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:

³ See, s. 273.02, F.S.

The parcel of land that is contemplated by the sponsor of the bill is located in Winter Park, Florida. It is a five acre parcel transferred to the state in December of 1956. The property is improved with an office building of 63,894 square feet of heated and cooled space, and 321 parking spaces. The Orange County Tax Appraiser has assigned a value to the property of \$6,583,934⁴; although it should be noted that tax appraised and actual values may vary considerably. The deed of the property from the City of Winter Park to the state did not contain a reverter clause, nor any restriction on the future use or sale of the property by the state. The Department of Management Services manages the building, receiving approximately \$500,000⁵ annually in rents from state agencies.

It is unknown how many other parcels of real property owned by the state may potentially fall within the exception created by this bill. A typical gift deed to the state would have included a "reverter clause" whereby if the state abandons the property, or declares it surplus, the property would automatically revert back to the grantor of the property. This bill does not apply to any property where a reverter clause, or other deed restriction, would control the disposition of the property upon being deemed surplus by the state. It is also worth noting that the declaration of real property as surplus is a discretionary function of the TIF. Thus, the state can avoid giving a property to a municipality without cost pursuant to the provisions of this bill simply by refusing to declare the property as surplus.

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:

1. Applicability of Municipality/County Mandates Provision: None.
2. Other: This bill may be impacted by the requirements of art. III, s. 6, State Constitution.

B. RULE-MAKING AUTHORITY: None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

The Committee on Local Government and Veterans' Affairs adopted a strike all amendment on March 3, 2004. The amendment retains current bill language while adding a provision which requires that any surplus lands acquired by the state prior to 1958 by gift or other conveyance for no consideration from a municipality first be

⁴ Year 2003 amount.

⁵ Id.

offered to the municipality for reconveyance at no cost (except for the fair market value of any improvements) unless otherwise provided in a deed restriction.