

LAND

Land is real property, excluding buildings, with title owned by the State. The asset cost recorded in this account includes purchase price plus any ancillary costs such as: legal and title fees, surveying fees, appraisal and negotiation fees, damage payments and site preparation costs (clearing, filling, leveling, landscaping and grading).

If the land has unwanted buildings that are demolished, the demolition cost should be added to the cost of the land.

If the land is acquired by exercise of the right of eminent domain, the award to the landowners becomes the equivalent of the purchase price and is treated similarly to land purchased so far as accounting is concerned.

There is no minimum dollar threshold for land. All land must be recorded in the Fixed Asset system.

The following object codes are available to record land purchases;

- 7001 Purchase of Land
- 7003 Lease Purchase of Land

Object code 7006, Cost to Prepare Land, can be used to record ancillary costs. All ancillary costs must be included with the cost of the land by manually recording these costs with FA documents, Event Type FA02.

Intangible assets are items that are not physical in nature but are still deemed to be assets to the State. Conservation easements are intangible assets that must be recorded in the Fixed Asset system. All agencies except DOT should use object code 7590 to record such easements. DOT should use object code 7501 to record its easements and land rights.

Intangible assets are recorded at cost. Cost includes all costs of acquisition and expenditures necessary to make the intangible asset ready for its intended use, such as legal fees and other incidental expenditures.

Occasionally, the State may purchase a piece of property on which it held a conservation easement. A new asset needs to be recorded in the Fixed Asset system under Land. The cost of the land is the purchase price plus the amount of the conservation easement. The conservation easement then needs to be deleted from the Fixed Asset system.