

County of Humboldt
Fiscal Year 2025-26 Appropriations Limit Calculations
For the County and Various Special Districts
Governed by the Board of Supervisors
Article XIII B of the California Constitution and California Government
Code Title I, Division 9 (Commencing with Section 7900)

Gann Limit Summary

In November 1979, California voters approved Proposition 4 (the Gann Initiative) which added Article XIII B to the California State Constitution. In 1980, the State Legislature added Division 9 (commencing with Section 7900) to Title I of the Government Code to implement Article XIII B. This legislation required the governing body of each local jurisdiction in California to annually establish an appropriations limit (also referred to as the Gann Limit). Current appropriation limits are generally based upon actual revenue appropriations during the initial base year of fiscal year (FY) 1986-87 (per Prop 111) and adjusted annually thereafter to account for California per capita cost of living increases, and year-over-year population growth as published by the California State Department of Finance. The annual limits must be adopted for the County government and Board of Supervisors governed special districts.

On June 5, 1990, California voters approved Proposition 111, amending Article XIII B. Proposition 111 allows local jurisdictions to choose among measures of change in the cost of living and population growth to compute the adjustment factor. The measures for cost of living (Price Factor) increases include growth in California per capita income or growth in the county's gross assessed valuation due to new non-residential construction. For counties measures for population growth include population growth within the county, county and contiguous counties or all cities within the county. A special district may choose to use the change in population within its jurisdiction or within the county in which it is located.

The proposed appropriations limit for Humboldt County for FY 2025-26 is \$271,929,563. In accordance with Proposition 111 guidelines, the appropriations limit was calculated by adjusting the prior year's appropriation limit using the adjustment factors described in Government Code Section 7901. The alternative adjustment factors applicable to FY 2024-25 are shown on pages 1 to 2 of the attached calculations. The recommended adjustment factor was calculated using the price factor based on the percent change in State per capita income (6.44%) and the population factor based on the percent growth within the incorporated portion of the county (1.01084%), resulting in an adjustment factor of 1.07594.

The appropriations limit does not apply to all county revenues, or all General Fund revenues, but only to proceeds of taxes including property tax, sales tax, transient occupancy tax, and other local taxes. Excluded from the appropriations subject to the limit are costs required to comply with court or federal mandates, qualified capital outlays and debt service costs for qualified capital projects. Other revenues, including fees, licenses and permits, rents and concessions, interfund transfers and state funds provided for a specific purpose are not subject to the limit. Charges for services or fees cannot exceed the cost of providing the service or regulation and thus are also excluded.

The State Budget Act of 2022 made changes to Government Code Section 7903 that now requires counties to include specified state subventions withing their local appropriations limit. These amounts are provided to counties by the Department of Finance. For Humboldt County the amount added to the appropriations subject to the tax appropriations limit was \$44.8 million. The appropriations subject to the limit for the County total \$161,248,958; \$110.7 million below the calculated appropriations limit of \$271,929,563.

GANN LIMIT CALCULATIONS

Fiscal Year 2025-26 Alternative Adjustment Factors & Calculation of Tax Appropriations Limit

Price Factor (A)

Percent growth in State Per Capita Personal Income.

(Source: California Dept. of Finance, Price Factor and Population letter dated May 2025)

Price Factor = 6.44000 %

Price Factor converted to Adjustment Factor = $(\text{price factor} + 100)/100$

Adjustment Factor (A) = 1.06440

Price Factor (B)

Percentage change in the local assessment roll from the preceding year due to the addition of local nonresidential new construction.

(Source: Humboldt County Assessor Proposition 111 Report)

(a) Prior year total secured and unsecured assessment roll value = \$ 18,225,051,115 FY 2024-25

(b) New nonresidential construction value = \$ 43,372,614 FY 2024-25

Price Factor = b/a 0.23800 %

Price Factor converted to Adjustment Factor = $(\text{price factor} + 100)/100$

Adjustment Factor (B) = 1.0023800

Population Factor (C)

Percent growth in population within the county combined with population growth in all counties having borders contiguous to the county.

(Source: California Dept. of Finance, Price Factor and Population letter dated May 2025)

Percent growth in counties population = 1.0130 %

Population Factor converted to Adjustment Factor = $(\text{population factor} + 100)/100$

Adjustment Factor (C) = 1.01013

Population Factor (D)

Percent growth in population within the incorporated portion of the county.

(Source: California Dept. of Finance, Price Factor and Population letter dated May 2025)

Percent growth in cities population = 1.0840 %

Population Factor converted to Adjustment Factor = $(\text{population factor} + 100)/100$

Adjustment Factor (D) = 1.010840

Fiscal Year 2025-26 Alternative Adjustment Factors & Calculation of Tax Appropriations Limit (continued)

Population Factor (E)

Percent growth in population within the the county.

(Source: California Dept. of Finance, Price Factor and Population letter dated May 2025)

Percent growth in Humboldt County = 0.71600 %

Population Factor converted to Adjustment Factor = (population factor + 100)/100

Adjustment Factor (E) = 1.00716

Annual Adjustment Factors

Based on the actual data, the six alternative adjustment factors are as follows:

$$A \times C = 1.06440 \times 1.01013 = 1.07518$$

$$A \times D = 1.06440 \times 1.01084 = \boxed{1.07594}$$

$$A \times E = 1.06440 \times 1.00716 = 1.07202$$

$$B \times C = 1.00238 \times 1.01013 = 1.01253$$

$$B \times D = 1.00238 \times 1.01084 = 1.01325$$

$$B \times E = 1.00238 \times 1.00716 = 1.00956$$

The recommended limit is (A x D), which results in a 7.59% increase over the fiscal year 2024-25 Annual Tax Appropriations Limit. Of the six adjustment factors listed above this represents the largest allowable increase to the appropriations limit.

Calculation of the Fiscal Year 2025-26 Appropriations Limit:

(Prior Year Limit) x (Recommended Adjustment Factor) = New Limit

$$252,736,735 \times 1.07594 = \$ \underline{271,929,563}$$

Appropriations Subject to the Tax Appropriations Limit *

Property Tax		\$	39,736,712
Sales Tax			5,150,000
Sales Tax Measure Z			13,000,000
Sales Tax Measure O			24,000,000
Transient Occupancy Tax			3,440,000
Transfer from TLRP			2,000,000
Business License Tax			83,000
Cannabis Excise Tax			-
Timber Yield Tax			600,946
Motor Vehicle License Fee			24,488,800
Homeowners Property Tax Relief Reimb.			284,360
State Mandate Reimbursements			50,000
Other Discretionary State Aid			9,200
Federal in Lieu-Public Lands			1,125,000
Document Transfer Tax-Recorder			700,940
Interest Earnings			1,780,000
State Subventions (Gov Code 7903)			44,800,000
Total Unadjusted Appropriations subject to Limit	[A]	\$	<u>161,248,958</u>

Adjustment for Appropriations Not Subject to the Tax Appropriations Limit *
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Debt Service			
N/A			
Capital Expenditures			
N/A			
Total Adjustment	[B]	\$	-
Total Adjusted Appropriations Subject to the Limit	[C = A - B]	\$	<u>161,248,958</u>

Difference between the Tax Appropriations Limit and Appropriations Subject to the Limit
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Tax Appropriations Limit for Fiscal Year 2025-26	[D]	\$	<u>271,929,563</u>
Adjusted Appropriations are below the Limit by	[E = D - C]	\$	<u>110,680,605</u>

* Source: *Fiscal Year 2025-26 County Adopted Budget, Estimated Revenue by Source (Schedule 6)*

County of Humboldt
Calculation to Determine Appropriation Limit in Accordance
with Article XIIB of the California Constitution
Population of Humboldt County Cities
Fiscal Year 2024-25

<u>City</u>	<u>Population Minus Exclusions</u>		<u>Change</u>
	<u>January 1, 2024</u>	<u>January 1, 2025</u>	
Arcata	18,540	19,001	461
Blue Lake	1,149	1,136	(13)
Eureka	25,906	26,122	216
Ferndale	1,356	1,361	5
Fortuna	12,181	12,198	17
Rio Dell	3,241	3,232	(9)
Trinidad	294	296	2
Total	62,667	63,346	679
Percentage Change			<u>1.084000</u>

(Source: California Dept. of Finance, Price Factor and Population letter dated May 2025)

County of Humboldt
Calculation to Determine Appropriation Limit in Accordance
with Article XIIB of the California Constitution
Population of Contiguous Counties
Fiscal Year 2024-25

<u>County</u>	<u>Population Minus Exclusions</u>		<u>Change</u>
	<u>January 1, 2023</u>	<u>January 1, 2024</u>	
Del Norte	24,768	26,544	1,776
Humboldt	132,866	133,817	951
Mendocino	89,424	89,827	403
Siskiyou	43,363	43,311	(52)
Trinity	15,860	15,884	24
Total	306,281	309,383	3,102
Percentage Change			<u>1.01300</u>

Source: California Department of Finance, Price Factor and Population Information letter dated May 2025

**History of Price and Population Factors and Tax Appropriations Limits
For Fiscal Years 2010-11 Through 2025-26**

Fiscal Year	Price Adjustment		Population Adjustment		Total Adjustment	Appropriations Limit
2010-11	1.21404		1.00530		1.2205	\$ 95,278,662
2011-12	1.08004	X	1.00770	=	1.0884	\$ 103,697,440
2012-13	1.0377	X	1.00680	=	1.0448	\$ 108,338,560
2013-14	1.13080	X	1.00790	=	1.1397	\$ 123,477,067
2014-15	1.19460	X	1.00950	=	1.080980486	\$ 148,905,427
2015-16	1.07102	X	1.00930	=	1.0810	\$ 160,963,560
2016-17	1.0798	X	1.00900	=	1.0895	\$ 175,372,014
2017-18	1.04571	X	1.00850	=	1.0546	\$ 184,947,494
2018-19	1.03850	X	0.99000	=	1.028115	\$ 191,731,339
2019-20	1.03850	X	1.00004	=	1.0385	\$ 199,121,384
2020-21	1.03726	X	0.99994	=	1.0000	\$ 206,527,920
2021-22	1.05730	X	0.99991	=	1.0754	\$ 218,342,402
2022-23	1.07550	X	0.99990	=	1.0389	\$ 234,822,887
2023-24	1.04440	X	0.99470	=	1.0388	\$ 245,230,237
2024-25	1.06440	X	1.01013	=	1.0752	\$ 252,736,735
2025-26	1.06440	X	1.01084	=	1.0759	\$ 271,929,563

COUNTY OF HUMBOLDT
BOARD OF SUPERVISORS
GOVERNED SPECIAL DISTRICTS
APPROPRIATIONS (GANN) LIMIT CALCUATIONS

	FY 2025-26
Price Factor CA Dept. of Finance	1.0644
Population Factor (D) Calculation	1.01084
Combined Limitation Factor	1.07594

	Fortuna Fire Fund 2050	Loleta Fire Fund 2080	Whitethorn Fire Fund 2150
FY 2024-25 Appropriations Subject to Limit	\$ 1,183,221	\$ 115,907	\$ 70,155
FY 2024-25 Appropriations Limit	1,540,433	1,652,798	91,591
FY 2025-26 Appropriations Limit	\$ 1,657,414	\$ 1,778,311	\$ 98,547
Amount (Over)/Under Limit	\$ 474,193	\$ 1,662,404	\$ 28,392

COUNTY OF HUMBOLDT
BOARD OF SUPERVISORS
GOVERNED SPECIAL DISTRICTS
APPROPRIATIONS (GANN) LIMIT CALCUATIONS

	FY 2025-26
Price Factor CA Dept. of Finance	1.0644
Population Factor (D) Calculation	1.01084
Combined Limitation Factor	1.07594

	Gaberville Lighting Fund 2410	Hydesville Lighting Fund 2420	Loleta Lighting Fund 2430
FY 2024-25 Appropriations Subject to Limit	\$ 14,555	\$ 6,332	\$ 11,325
FY 2024-25 Appropriations Limit	116,402	34,845	84,043
FY 2025-26 Appropriations Limit	\$ 125,242	\$ 37,491	\$ 90,426
Amount (Over)/Under Limit	\$ 110,687	\$ 31,159	\$ 79,101

COUNTY OF HUMBOLDT
 BOARD OF SUPERVISORS
 GOVERNED SPECIAL DISTRICTS
 APPROPRIATIONS (GANN) LIMIT CALCUATIONS

	FY 2025-26
Price Factor CA Dept. of Finance	1.0644
Population Factor (D) Calculation	1.01084
Combined Limitation Factor	1.07594

	Rohnerville Lighting Fund 2440	Weott Maint. & Lighting Fund 2460	Redcrest Lighting Fund 2470
FY 2024-25 Appropriations Subject to Limit	\$ 13,323	\$ 18,782	\$ 2,741
FY 2024-25 Appropriations Limit	25,950	66,897	16,007
FY 2025-26 Appropriations Limit	\$ 27,921	\$ 71,977	\$ 17,223
Amount (Over)/Under Limit	\$ 14,598	\$ 53,195	\$ 14,482

COUNTY OF HUMBOLDT
BOARD OF SUPERVISORS
GOVERNED SPECIAL DISTRICTS
APPROPRIATIONS (GANN) LIMIT CALCUATIONS

	FY 2025-26
Price Factor CA Dept. of Finance	1.0644
Population Factor (D) Calculation	1.01084
Combined Limitation Factor	1.07594

	Myers Flat Lighting Fund 2480	Pacific Man. Lighting Fund 2490	Humboldt Flood Fund 2840
FY 2024-25 Appropriations Subject to Limit	\$ 3,826	\$ 2,001	\$ 13,355
FY 2024-25 Appropriations Limit	50,469	14,102	86,191
FY 2025-26 Appropriations Limit	\$ 54,302	\$ 15,173	\$ 92,736
Amount (Over)/Under Limit	\$ 50,476	\$ 13,172	\$ 79,381

COUNTY OF HUMBOLDT
BOARD OF SUPERVISORS
GOVERNED SPECIAL DISTRICTS
APPROPRIATIONS (GANN) LIMIT CALCUATIONS

	FY 2025-26
Price Factor CA Dept. of Finance	1.0644
Population Factor (D) Calculation	1.01084
Combined Limitation Factor	1.07594

Janes Creek
Drainage
Fund 2860

FY 2024-25 Appropriations Subject to Limit	\$ 16,835
FY 2024-25 Appropriations Limit	165,739
FY 2025-26 Appropriations Limit	\$ 178,325
Amount (Over)/Under Limit	\$ 161,490