

ATTACHMENT A

**County of Humboldt
Fiscal Year 2024-25 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 2024-25 is \$252,736,735. 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 capital income (3.62%) and the population factor based on the percent growth within the county combined with all counties having contiguous borders (.99461%), resulting in an adjustment factor of 1.03061.

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 within 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 \$43.2 million. The appropriations subject to the limit for the County total \$133,595,850; \$119 million below the calculated appropriations limit of \$252,736,735.

GANN LIMIT CALCULATIONS

Fiscal Year 2024-25 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 April 2024)

Price Factor = 3.62000 %

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

Adjustment Factor (A) = 1.03620

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 =	\$	16,566,012,769	FY 2023-24
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(b) New nonresidential construction value =	\$	25,596,253	FY 2023-24
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Price Factor = b/a 0.15500 %

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

Adjustment Factor (B) = 1.0015500

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 April 2024)

Percent growth in counties population = (0.5390) %

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

Adjustment Factor (C) = 0.99461

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 April 2024)

Percent growth in cities population = (1.1440) %

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

Adjustment Factor (D) = 0.988560

Fiscal Year 2024-25 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 April 2024)

Percent growth in Humboldt County = (1.10500) %

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

Adjustment Factor (E) = 0.98895

Annual Adjustment Factors

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

A x C =	1.03620	x	0.99461	=	1.03061
A x D =	1.03620	x	0.98856	=	1.02435
A x E =	1.03620	x	0.98895	=	1.02475
B x C =	1.00155	x	0.99461	=	0.99615
B x D =	1.00155	x	0.98856	=	0.99009
B x E =	1.00155	x	0.98895	=	0.99048

The recommended limit is (A x C), which results in a 3.06% increase over the fiscal year 2023-24 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 2024-25 Appropriations Limit:

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

245,230,237 x 1.03061 = \$ 252,736,735

Appropriations Subject to the Tax Appropriations Limit *

Property Tax		\$	38,463,890
Sales Tax			5,400,000
Sales Tax Measure Z			13,000,000
Transient Occupancy Tax			3,440,000
Transfer from TLRF			2,000,000
Business License Tax			78,000
Cannabis Excise Tax			-
Timber Yield Tax			798,560
Motor Vehicle License Fee			23,740,000
Homeowners Property Tax Relief Reimb.			314,000
State Mandate Reimbursements			50,000
Other Discretionary State Aid			9,200
Federal in Lieu-Public Lands			1,100,000
Document Transfer Tax-Recorder			752,200
Interest Earnings			1,250,000
State Subventions (Gov Code 7903)			43,200,000
Total Unadjusted Appropriations subject to Limit	[A]	\$	<u>133,595,850</u>

Adjustment for Appropriations Not Subject to the Tax Appropriations Limit *

Debt Service			
N/A			
Capital Expenditures			
N/A			
Total Adjustment	[B]	\$	-
Total Adjusted Appropriations Subject to the Limit	[C = A - B]	\$	<u>133,595,850</u>

Difference between the Tax Appropriations Limit and Appropriations Subject to the Limit

Tax Appropriations Limit for Fiscal Year 2024-25	[D]	\$	<u>252,736,735</u>
Adjusted Appropriations are below the Limit by	[E = D - C]	\$	<u>119,140,885</u>

* Source: Fiscal Year 2024-25 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 Contiguous Counties
Fiscal Year 2024-25

County	Population Minus Exclusions		Change
	January 1, 2023	January 1, 2024	
Del Norte	24,787	24,768	(19)
Humboldt	134,351	132,866	(1,485)
Mendocino	89,496	89,424	(72)
Siskiyou	43,430	43,363	(67)
Trinity	15,878	15,860	(18)
Total	307,942	306,281	(1,661)
Percentage Change			(0.53900)

Source: California Department of Finance, Price Factor and Population Information letter dated April 2024

County of Humboldt
Calculation to Determine Appropriation Limit in Accordance
with Article XIIB of the California Constitution
Population of Humboldt County Cities
Fiscal Year 2023-24

City	Population Minus Exclusions		Change
	January 1, 2023	January 1, 2024	
Arcata	18,830	18,540	(290)
Blue Lake	1,164	1,149	(15)
Eureka	26,116	25,906	(210)
Ferndale	1,376	1,356	(20)
Fortuna	12,318	12,181	(137)
Rio Dell	3,290	3,241	(49)
Trinidad	298	294	(4)
Total	63,392	62,667	(725)
		Percentage Change	<u>(1.144000)</u>

(Source: California Dept. of Finance, Price Factor and Population letter dated April 2024)

**History of Price and Population Factors and Tax Appropriations Limits
For Fiscal Years 2009-10 Through 2023-24**

Fiscal Year	Price Adjustment		Population Adjustment			Total Adjustment	Appropriations Limit
2009-10	1.04204	X	1.0050	=	1.0472	\$ 78,066,688	
2010-11	1.21404	X	1.0053	=	1.2205	\$ 95,278,662	
2011-12	1.08004	X	1.0077	=	1.0884	\$ 103,697,440	
2012-13	1.03770	X	1.0068	=	1.0448	\$ 108,338,560	
2013-14	1.13080	X	1.0079	=	1.1397	\$ 123,477,067	
2014-15	1.19460	X	1.0095	=	1.2059	\$ 148,905,427	
2015-16	1.07102	X	1.0093	=	1.0810	\$ 160,963,560	
2016-17	1.07980	X	1.0090	=	1.0895	\$ 175,372,014	
2017-18	1.04571	X	1.0085	=	1.0546	\$ 184,947,494	
2018-19	1.03850	X	0.9900	=	1.0281	\$ 191,731,339	
2019-20	1.03850	X	1.0000	=	1.0385	\$ 199,121,384	
2020-21	1.03726	X	0.9999	=	1.0000	\$ 206,527,920	
2021-22	1.05730	X	0.9999	=	1.0572	\$ 218,342,402	
2022-23	1.07550	X	0.9999	=	1.0754	\$ 234,822,887	
2023-24	1.04440	X	0.9947	=	1.0388	\$ 245,230,237	
2024-25	1.03620	X	0.9946	=	1.0306	\$ 252,736,735	

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

	FY 2024-25
Price Factor CA Dept. of Finance	1.0362
Population Factor (C) Calculation	0.99461
Combined Limitation Factor	<u>1.03061</u>

	Fortuna Fire Fund 2050	Loleta Fire Fund 2080	Whitethorn Fire Fund 2150
FY 2024-25 Appropriations Subject to Limit	\$ 1,198,700	\$ 110,643	\$ 67,150
FY 2023-24 Appropriations Limit	1,494,681	1,603,708	88,871
FY 2024-25 Appropriations Limit	\$ 1,540,433	\$ 1,652,798	\$ 91,591
Amount (Over)/Under Limit	\$ 341,733	\$ 1,542,155	\$ 24,441

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

	FY 2024-25
Price Factor CA Dept. of Finance	1.0362
Population Factor (C) Calculation	0.99461
Combined Limitation Factor	<u>1.03061</u>

Gaberville Lighting Fund 2410	Hydesville Lighting Fund 2420	Loleta Lighting Fund 2430
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FY 2024-25 Appropriations Subject to Limit	\$ 14,730	\$ 6,290	\$ 10,855
FY 2023-24 Appropriations Limit	112,945	33,810	81,547
FY 2024-25 Appropriations Limit	\$ 116,402	\$ 34,845	\$ 84,043
Amount (Over)/Under Limit	\$ 101,672	\$ 28,555	\$ 73,188

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

	FY 2024-25
Price Factor CA Dept. of Finance	1.0362
Population Factor (C) Calculation	0.99461
Combined Limitation Factor	<u>1.03061</u>

	Rohnerville Lighting Fund 2440	Weott Maint. & Lighting Fund 2460	Redcrest Lighting Fund 2470
FY 2024-25 Appropriations Subject to Limit	\$ 13,196	\$ 18,420	\$ 2,700
FY 2023-24 Appropriations Limit	25,179	64,910	15,532
FY 2024-25 Appropriations Limit	\$ 25,950	\$ 66,897	\$ 16,007
Amount (Over)/Under Limit	\$ 12,754	\$ 48,477	\$ 13,307

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

	FY 2024-25
Price Factor CA Dept. of Finance	1.0362
Population Factor (C) Calculation	0.99461
Combined Limitation Factor	<u>1.03061</u>

	Myers Flat Lighting Fund 2480	Pacific Man. Lighting Fund 2490	Humboldt Flood Fund 2840
FY 2024-25 Appropriations Subject to Limit	\$ 3,297	\$ 1,781	\$ 12,760
FY 2023-24 Appropriations Limit	48,970	13,683	83,631
FY 2024-25 Appropriations Limit	\$ 50,469	\$ 14,102	\$ 86,191
Amount (Over)/Under Limit	\$ 47,172	\$ 12,321	\$ 73,431

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

	FY 2024-25
Price Factor CA Dept. of Finance	1.0362
Population Factor (C) Calculation	0.99461
Combined Limitation Factor	<u>1.03061</u>

**Janes Creek
Drainage
Fund 2860**

FY 2024-25 Appropriations Subject to Limit	\$ 16,816
FY 2023-24 Appropriations Limit	160,816
FY 2024-25 Appropriations Limit	\$ 165,739
Amount (Over)/Under Limit	\$ 148,923