



## Staff Report

**TO:** City Council  
**FROM:** Lisa Leach, CPA, Assistant Finance Director  
**DATE:** March 18, 2025  
**SUBJECT:** Approval of Corrected Gann Limit Language for Fiscal Year 2024

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**Description** Revise the language for growth factor calculation to non-residential.

### **Background and Analysis:**

In November 1979, Proposition 4 (Gann Initiative) was adopted by the State of California. Proposition 4 created Article XIII B of the State Constitution placing limits on the amount of revenue which can be spent by all entities of government. Proposition 4 was modified by Proposition 111 in June 1990. Proposition 111 provided new adjustment formulas for the calculation of the annual appropriations limit.

The appropriations limit is based on actual appropriations during the 1978-79 fiscal year and is increased each year using the growth of population and inflation. Not all revenues are restricted by the appropriations limit, only those that are referred to as “proceeds of taxes.”

The limit is calculated by taking the prior year’s limit and applying growth factors as appropriate. The growth factors are determined by 1) the change in population in either the City or the County, and 2) the change in per capita income or non-residential new construction.

It was discovered that the original language referenced the percentage change in State per capita personal income at 7.49% and should have referenced the non-residential change.

### **Fiscal Impact:**

There is no fiscal impact from this item. The estimated cost to prepare this report is \$150.

**Recommended Action:**

Waive the full reading and adopt by title only a “Resolution of the City Council of the City of Beaumont, approving the Appropriation Limit for the 2023-2024 Fiscal Year”.

**Attachments:**

- A. Appropriation Limit Calculation for the Fiscal Year ending June 30, 2024
- B. Resolution 2023-17 of the City Council approving the FY2023-24 Appropriation Limit
- C. Revised Gann Resolution of the City Council approving the FY2023-24 Appropriation Limit