

**South Placer Fire Protection District
2018-19 Gann Limit Compliance Evaluation and
2019-20 Gann Limit**

2018-19 Gann Limit Compliance Evaluation

The District's 2018-19 Gann Limit was calculated to be \$10,395,707. Based on 2018-19 Budget figures, it was expected that the District's appropriations subject to limitation would not exceed this figure. At the end of the 2018-19 fiscal year, after all property tax receipts and expenditures were documented, a compliance calculation demonstrated that the District's appropriations subject to limitation were in fact below the Gann Limit, as demonstrated in the following table.

2018-19 Appropriations Subject to Limitation	
	2018-19 Actuals
Unadjusted Appropriations Subject to the Limit	
Property Tax	\$7,992,416
Special Tax	\$1,147,635
Total Unadjusted Appropriations Subject to the Limit	\$9,140,051
Adjustments for Appropriations Not Subject to the Limit	
Court Ordered Mandates - FLSA Overtime	\$0
Federal Mandates - Worker's Compensation	\$449,788
Qualified Capital Outlay	\$1,480,818
Qualified Debt Service	\$341,728
Total Adjustments for Appropriations Not Subject to the Limit	\$2,272,334
Adjusted Appropriations Subject to the Limit	\$6,867,717
Gann Limit	\$10,395,707
Appropriations Under/(Over) the Limit	\$3,527,990

As shown in the table, the District's appropriations were \$3,527,990 under the Limit. Since the District has demonstrated its compliance with the 2018-19 Gann Limit, no further action is required.

2019-20 Gann Limit and Estimated Compliance

For 2019-20, the District must calculate its new Gann Limit, based on both Cost of Living and Population Factors. Additionally, as part of the Budget adoption process, the District should estimate whether it will be in compliance with its 2019-20 Gann Limit by evaluating appropriations subject to limitation.

Gann Limit Calculation

The Gann Limit is calculated by first using the prior year’s Limit as a base, then applying a Cost of Living Factor and a Population Factor. The Cost of Living Factor is equal to the **greater of** the percent change in non-residential new construction or the percent change in California per capita personal income. For 2019-20, the Placer County Assessor’s Office has calculated that the District’s percent change in non-residential new construction is 3.87%. The California Department of Finance calculated the percent change in California per capita personal income to be 3.85%. Therefore, the Cost of Living Factor to be applied to the District’s 2019-20 Gann Limit is 3.87%.

The Population Factor is equal to the **greater of** the percent change in county population or the percent change in unincorporated County population, or the percent change in the District’s population. According to data provided by the California Department of Finance, the percent change in Placer County population was 1.85% and the percent change in unincorporated Placer County population was 0.59%. In order to determine the percentage change in the District’s population, a special population estimate must be specifically requested to the Department of Finance at the District’s expense. Due to the fact that there was minimal residential new construction in the District’s boundaries, this was not completed this year. Therefore, the Population factor to be applied to the District’s 2019-20 Gann Limit is 1.85%.

As shown in the following table, the District’s 2019-20 Gann Limit is calculated to be \$10,997,313.

Gann Limit Calculation				
	Prior Year Gann Limit	Cost of Living Factor	Population Factor	Current Year Gann Limit
2019-20	\$10,395,707	1.0387	1.0185	\$10,997,313

Estimated Appropriations Subject to Limitation

Based on the District’s 2019-20 budget, the District is estimating tax receipts of \$9,479,740 from general property taxes, the District’s Special Tax and the Loomis Parcel Tax. These tax receipts can be adjusted for appropriations that are not subject to limitation from sources such as: FLSA Overtime, Federal Mandates (Worker’s Compensation), Qualified Capital Outlay and Debt Service. Based on 2019-20 budget estimates, the District will have approximately \$967,100 of appropriations that are not subject to limitation. Therefore, the District’s total appropriations subject to the Gann Limit total \$8,512,640, which is \$2,484,673 below the calculated 2019-20 Gann Limit, as shown in the following table. ***Therefore, we can reasonably estimate that the District will be in compliance with its Gann Limit for 2019-20.***

2019-20 Estimated Appropriations Subject to Limitation	
	2019-20 Estimated
Unadjusted Appropriations Subject to the Limit	
Property Tax	\$8,310,297
Special Tax	\$1,169,443
Total Unadjusted Appropriations Subject to the Limit	\$9,479,740
Adjustments for Appropriations Not Subject to the Limit	
Court Ordered Mandates - FLSA Overtime	\$0
Federal Mandates - Worker's Compensation	\$460,976
Qualified Capital Outlay	\$152,104
Qualified Debt Service	\$354,020
Total Adjustments for Appropriations Not Subject to the Limit	\$967,100
Adjusted Appropriations Subject to the Limit	\$8,512,640
Gann Limit	\$10,997,313
Appropriations Under/(Over) the Limit	\$2,484,673

Summary

In summary, the District has met its Gann Limit requirements for 2018-19 and is estimated to again meet its limitations for 2019-20.

The District Has Been and Is Expected to be Under its Gann Limit

